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The

Drug Policy Foundation

Salutes the

1992 Winners of the Annual Awards for Achievement in Drug Policy Reform

Outstanding Achievement:
R. Keith Stroup

His pioneering work in drug policy reform earns Stroup the Richard J. Dennis Drugpeace Award for Outstanding Achievement in the Field of Drug Policy Reform, and its $25,000 prize. Stroup led efforts to decriminalize marijuana in 11 states and helped secure the release of hundreds of petty marijuana offenders, many of whom faced decades in prison.

Enforcement and Control:
Joseph McNamara

A lifelong police officer and former police chief of San Jose, California, McNamara has seen firsthand the danger and futility of drug enforcement, and has spoken out in favor of new approaches like decriminalization. Chief McNamara receives the H.B. Spear Award for Achievement in the Field of Law Enforcement and Control and its $10,000 prize.

Scholarship and Writing:
Ethan Nadelmann

This Princeton professor of politics is one of the most influential critics of American drug policy. Because he has added important scholarly insights to the case for legalization of drugs, he receives the Alfred R. Lindesmith Award for Achievement in the Field of Scholarship and Writing and its $10,000 prize.

Treatment:
Alex Wodak

Dr. Wodak, a treatment expert in Sydney, helped move Australia towards a compassionate approach to drugs and addiction, including the provision of clean needles to addicts to prevent the spread of AIDS. He receives the Norman E. Zinberg Award for Achievement in the Field of Medicine and Treatment and its $10,000 prize.

Law:
Tony Serra and Michael Michaelson

These two principled lawyers have shown a commitment to reducing the harm caused to individuals by some drug laws. They share the Justice Gerald LeDain Award for Achievement in the Field of Law and its $10,000 prize for their *pro bono* handling of needle exchange and medical marijuana cases.

Citizen Action:
Richard Bradbury

Bradbury's Community Improvement, Inc. helps kids harmed by the cultlike drug treatment program Straight, Inc. and other harsh programs, and documents abuses for regulators and the media. Bradbury receives the Robert C. Randall Award for Achievement in the Field of Citizen Action, and its $10,000 prize.

The Drug Policy Foundation is a non-profit educational organization dedicated to discussion of peaceful alternatives to the war on drugs. The annual drug policy reform awards, funded entirely by an earmarked grant from the Chicago Resource Center, will be presented at the Sixth International Conference on Drug Policy Reform in Washington, D.C., November 11-14.

For more information on the Foundation, please clip and mail the coupon today.

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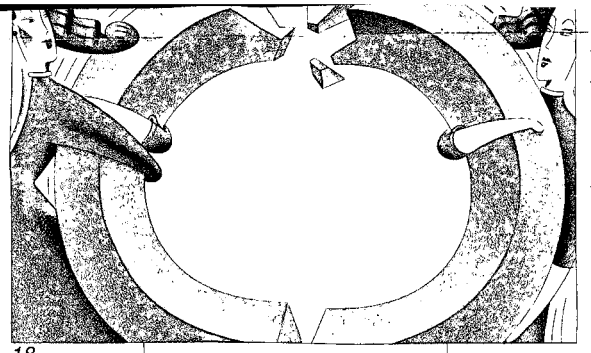
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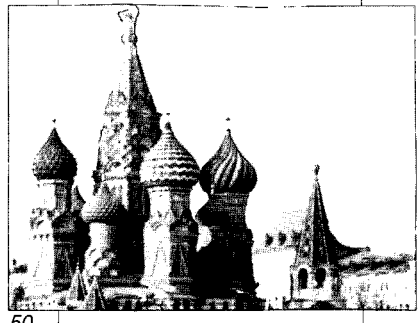
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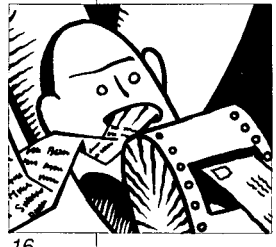
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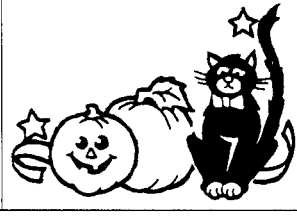

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If we believe most critics of the North American Free Trade Agreement, nearly every job in America should have moved to Arkansas a long time ago.

After all, the state's 1991 per-capita income was a mere $14,753, beating out only West Virginia and Mississippi. Wages are low, people will work hard at unpleasant jobs, and, of course, there are no tariffs or quotas to keep Arkansas products from moving freely into Michigan or California, Missouri or Florida.

In short, Arkansas is a lot like Mexico, but with English-speaking workers and American legal institutions. As critics on the left and right try to terrify us with the specter of an upwardly mobile Mexico, it's helpful to spend some time thinking about Arkansas—and about how poor places can get richer without making everyone else poorer.

The classic reason for trade is specialization. If each worker, or company, or nation concentrates on what he, she, or it does best—rather than trying to do everything—we can produce more wealth altogether and trade with each other for the things or services we need.

But specialization is anathema both to ultranationalists, who want the United States to be "No. 1" in every industry, and to ideologically committed greens, who praise self-sufficiency and denounce trade on principle. It is not surprising, then, to find that these two groups are the most vehement opponents of NAFTA.

For Arkansas, however, specialization has been a boon. Consider chickens. When my mother was a little girl in Arkansas, her grandmother would go out in the yard, grab a chicken by the neck, spin it around a few times to break its neck, then pluck, clean, and cook it. It was all very self-sufficient, very green.

It was not, however, very practical for bringing chicken to the masses. Nowadays, poultry companies hatch chicks by the thousands; vaccinate and debeak them; ship them out to subcontractors to raise, providing feed purchased by the carload and hedged with the best options the Chicago exchanges have to offer; then bring the grown chickens back for slaughter and processing. It is a big, sophisticated, highly specialized business that has made meat cheap, supplies reliable, chicken farmers well-to-do, and processing-company owners rich.

It has also provided the kinds of jobs that give people a first step out of rural poverty, the kind trade hawks are afraid will move to Mexico, the kind Michael Dukakis might call "bad jobs at bad wages." The first thing you notice about a chicken-processing plant is the smell. A couple of about-to-be cooked chicken breasts fresh from the refrigerator don't smell too great; thousands of newly dead birds, along with their discarded blood and guts, are much worse. Walking through the plant, you step carefully on wooden-slatted pathways over the cement floor, where diluted blood drains away.

You get used to the smell. But the noise is deafening. The plucked chickens rattle down a disassembly line, suspended from above for easy evisceration. The pace is quick. One worker slices, the next guts, and so on step by step until a neatly wrapped package of parts emerges at the end. It's unpleasant, low-paid, labor-intensive work. But you don't have to be educated to do it, and it's easier than picking vegetables and steadier than cleaning houses.

Some such demanding low-wage jobs may indeed move to Mexico thanks to lower trade barriers. But chicken processing probably won't—at least not for a long time. And, for many of the same reasons, neither will most auto plants.

American companies, especially in Arkansas, Georgia, and the Delmarva Peninsula, are very good at raising, processing, and marketing chickens. They've developed well-tuned networks of suppliers. They have efficient distribution systems. Even in a business where labor is a major factor, lower wages aren't enough to justify disrupting these hard-to-build relationships. The chicken business is likely to remain a U.S. specialty, giving Mexicans a chance to buy more poultry at lower cost.

The relative importance of business networks is even greater in a more complex and far more capital-intensive business like building cars. Indeed, the *Los Angeles Times* reports that a U.S. auto plant turns out twice as many cars per hour with half as many workers as a Mexican plant—and pays less for materials, electricity, transportation, equipment, and maintenance. There's a lot more to profitability than low wages; otherwise Bangladesh would rule the business world.

The real objection to the free trade pact isn't that it will make Americans poorer—or even that it will cost the country jobs. Rather, trade produces change. It disrupts things. Theo Lee, an economist at the union-backed Economic Policy Institute, calls NAFTA "managed trade" because "what they are talking about here is who is going to win and who is going to lose."

That there will be winners and losers isn't just an argument against NAFTA. It's an argument against Wal-Mart, another Arkansas export. In small towns across America, Sam Walton's discount stores

"destroyed jobs" at existing, higher-priced retailers, disrupting the lives and hopes of countless merchants.

Fortunately, rural merchants have a lot less lobbying clout than, say, textile magnates. So Wal-Mart's free trade with small-town America continued unimpeded by the kinds of small-shop protectionism that makes Japan such an expensive place. Everywhere Wal-Mart came to town, it gave local residents an effective pay raise by lowering prices.

The wealth created by Sam Walton's leaner, meaner distribution systems became literal pay raises, too. When my uncle-in-law's plastic-cutlery factory in South Carolina lost most of its shift workers to Wal-Mart's $6.00-an-hour jobs, his company raised wages to compete. By "destroying jobs" in rural stores, Wal-Mart created vast wealth not only for its owner but for consumers throughout America. Along the way, it gave tens of thousands of people new, higher-paying jobs—without manufacturing a single product.

Indeed, sophisticated distribution—the key to Wal-Mart's success—will likely be one of the most successful "products" American businesses have to sell in Mexico. Thanks in part to national boundaries that have given us a continent-wide free market for more than a century, U.S. companies, like U.S. armies, have gotten very good at logistics. The computer revolution has made that advantage even greater.

"America has a lot to offer Mexico—simple things like efficient distribution," Blair Labatt, head of Labatt's Food Service, told the *Los Angeles Times*. His family-owned company, which supplies Texas hotels and restaurants, has opened a partnership with a Mexico City firm and is now supplying food, along with computerized inventory control, to Mexican hotels. One of their products: Tyson's chicken, imported from Arkansas.

The genius of entrepreneurial capitalism, of free trade, is that everyone can get richer at the same time. If Bill Clinton, candidate of change, understood the story of his own state, he would understand that fact. And he would steal the trade issue from the inarticulate George Bush. The poor, from Hope, Arkansas, to Esperanza, Mexico, would thank him.

BALKING AT INTERVENTION

CHARLES OLIVER

"The emaciated bodies, the skeletal figures you see on television are hard to take for anyone who knows the Holocaust," said Rabbi Marvin Hier, dean of the Simon Wiesenthal Center for Holocaust Studies. Hier was talking about the scenes from the Serbian-run prison camps in Bosnia-Herzegovina where Bosnian and Croatian prisoners of war are allegedly being tortured and murdered.

The Wiesenthal Center has begun a letter-writing campaign demanding that President Bush use military force to stop Serbia's war of "ethnic cleansing." Not that Bush seems to need any encouragement. He has been pressing for a U.N. accord authorizing the use of "all means necessary" to deliver humanitarian aid to the people of Bosnia-Herzegovina.

Meanwhile, Bill Clinton has also been rattling his sword, calling for military action against Serbia. Clinton and Bush each may be simply trying to convince voters that he is tougher than the other. Or the two men may truly want to do something to stop the bloodshed. After all, one cannot help being moved by television footage of the emaciated prisoners in the camps. But despite our feelings, America has no place in this conflict.

In the debate over intervention, Serbia has often been compared to Nazi Germany. But there is one vital difference. Germany was a superpower bent on continental domination. Serbia poses no such threat. Our hearts may be moved by the scenes from Serbian concentration camps, but we could find similar scenes in Africa and Asia. If we are to start righting wrongs everywhere, we must be prepared to spill American blood on every continent.

No vital American interest is at stake in the former Yugoslavia. Given that fact, the price we would pay to right things in Bosnia would be too high.

Bush's national security adviser, Brent Scowcroft, has floated the idea of air strikes against Serbian positions in Bosnia or perhaps against Serbia itself. His argument is that the Serbs would not dare shoot at U.S. planes. The Serbs, however, have shown no reluctance to kill foreign journalists and relief workers. What happens if they shoot at and hit our planes? The public would probably demand that ground troops be sent in. When weighing the decision to intervene in Bosnia, we must assume that we may have to commit ground troops to the effort.

And we must also assume the United States would have to act essentially by itself. We cannot count on the European support we had in Iraq. Germany is full of old soldiers who remember Yugoslavia as their Vietnam, a place where they fought an invisible enemy in impossible terrain. Their soldiers suffered tremendous losses to guerrillas there in World War II. And the French and the British were, until the carnage became too much, supporting their old allies the Serbs. Moreover, these two countries are mired in economic problems of growing magnitudes. For these reasons, we cannot count on European support.

Should the United States, then, do nothing? No. We should seriously consider providing the Croats and Bosnians with the weapons they need to fight the Serbs. (As I write, this is the only aid they have requested.) And above all, the United States must use whatever diplomatic tools it has at its disposal to keep the Serbs from dragging their Slavic brothers the Russians into this conflict. It will be much easier to do this if we ourselves aren't directly involved.

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LETTERS

Shanker's Sore

"The point of choice is to provide parents and students with what they want," says Alan Reynolds ("Al in Wonderland," June). That may be the point of choice, and it may be the point of shopping malls. But it is not the point of education, and it is certainly not the reason the public—parents and nonparents alike—pays taxes to support education. We do so not to satisfy the individual wants of parents and students but because of the public interest in producing an educated citizenry capable of exercising the rights of liberty and being productive members of society.

That is why, a long, long time ago, an unlikely coalition of liberals and conservatives, workingmen's groups, and employers rejected a market system of education in favor of a common-school system. That is why education is a public and not an individual responsibility. That is why there are compulsory education laws. That is why the public, and not just parents, has a right to exercise control over how education taxes are spent.

And that is why I oppose allowing public dollars to follow youngsters to private schools that are outside the reach of public scrutiny and authority. Given the lousy performance of both public- and private-school students, I also find it amazing that anyone would favor a system that creates incentives for schools to work on attracting customers rather than on improving achievement, or doing so only incidentally.

My alternative to trying a market system of education is national standards. That's national, not federal, which I oppose. The fact is, what all of the nations whose students outperform ours have and we lack are standards for what students should know and be able to do, exams that are based on those standards, student accountability for meeting standards, and teacher education systems that can prepare teachers to teach because they know what teachers are supposed to teach.

Some of these nations have very specific curriculum requirements, while others establish curriculum frameworks that leave room for diversity, which is the route we should go here. But none of our competitors relies on competition and "choice" in their education systems. Even the few nations that offer public aid to private schools require them to adhere to the national or regional curriculum and examination system. And in none of these nations will you find the gross disparities in funding among public schools or between public and private schools we have here.

Reason would dictate that we learn some lessons from nations whose education systems work rather than gambling on a so-called choice system that may or may not work. Strike "may work."

Albert Shanker
President
American Federation of Teachers
Washington, DC

Mr. Reynolds replies: Mr. Shanker writes that tax-financed vouchers must not be used to finance "private schools that are outside...public scrutiny." If that were his real objection, then he would be willing to endorse the use of vouchers for private schools, provided they met the same standards as public schools. So far as I know, Mr. Shanker is opposed to vouchers for private schools under any circumstances.

I have no objection to setting basic education goals and testing to see how well schools and individual teachers attain those goals, though I would like to see this done by state, local, and private institutions to encourage innovation and variety. Such information would be helpful to parents in selecting schools.

Where Mr. Shanker and I differ is on who gets to decide where our children go to school and what subjects they will be

taught. I view increasing diversity and choice as a major objective, which is why I wish to maximize the authority of school principals, maximize competitive pressure on individual schools, and minimize federal involvement. Mr. Shanker wants to see all children marching to the same drummer. He hopes to eliminate unpleasant rivalry between schools by cutting down any tall poppies among them to match some national norm.

Mr. Shanker really believes that education is "not an individual responsibility" and should be as compulsory as possible. He clearly admires "very specific curriculum requirements" but would reluctantly leave some "room for diversity." Most importantly, he continues to denigrate "just parents" in favor of "the public." Yet this "public" can only be a euphemism for government officials of one sort or another. It might mean local school boards, except that Mr. Shanker has been quite critical of local control. "Public scrutiny" thus appears to mean the U.S. Department of Education. But Mr. Shanker now says he merely wants "national, not federal," standards, which leaves unclear who, if not the government, will design and enforce these standards.

In Mr. Shanker's view, neither parents nor students have any legitimate role in making educational choices. Decisions about which students attend which schools, what they are to be taught, how, and by whom are best left to experts and imposed throughout the nation. Those who are "just parents" should shut up, pay their taxes, and leave the driving to us.

Union Gray

Virginia Postrel suggests that unions can (and should?) survive only if they take themselves out of the collective-bargaining business and put themselves into the "training business" instead ("Unions Forever?", June). That is nonsense. Insofar as union leaderships listen to libertarians at all, we should advise them to stick with their original, and market-rational, function. That function is, precisely, collective bargaining.

There is nothing about labor markets that requires a free-for-all, with every worker selling his or her individual skills and time in isolation. Just as individual investors can go into the labor market as purchasers, not singly but combined into partnerships or corporations, so workers can combine into guilds or unions when they go into the same market as vendors.

Christopher C. Faille
Enfield, CT

FEDERAL LABOR LAW ensures that labor unions are nonmarket institutions, with little reason to concern themselves with the satisfaction of their customers. Workers do not contract with unions for the rendering of specific services for a price over a set time period. Rather, a union is certified as the exclusive bargaining representative for all workers in a bargaining unit, provided that a major-

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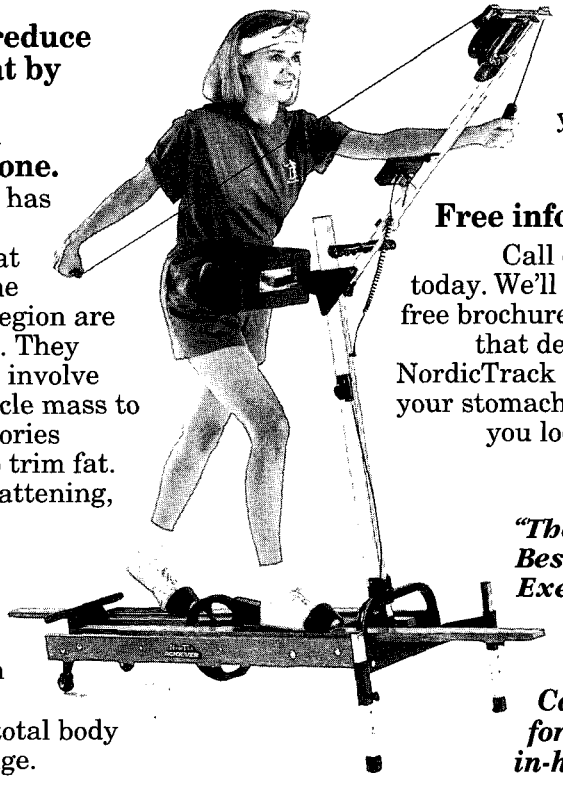

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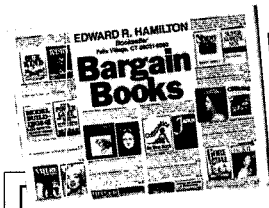

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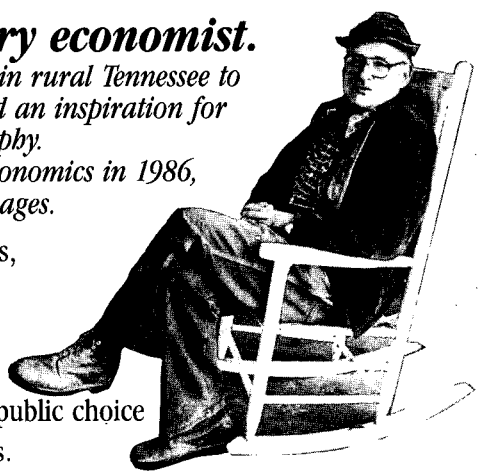

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LETTERS

ity votes for representation by that union.

Unlike ordinary contracts, this government certification lasts indefinitely. There are no periodic re-elections; the only way an incumbent union can be ousted is if it loses a decertification election, and procedural hurdles make decertification elections fairly rare. The upshot is that unions, once in place, have a virtually captive market and little threat of competition. Naturally, the union leaders take advantage of their position.

I do not think unions will become truly dedicated to serving the needs of workers until federal law is changed to permit a market for worker representation services. Get rid of exclusive representation and government certification. Allow individuals to contract with any union they want for whatever services they are willing to pay for. Having to operate in a market setting is absolutely the last thing that labor leaders want, but it would be a tremendous benefit for workers.

George C. Leef
Lansing, MI

WHEN CONSIDERING ANY QUESTION involving modern unionism in America, it is essential to consider the differences between the private and public sectors. For example, Virginia Postrel mentions that union penetration in the work force declined from 35.5 percent in 1945 to 16.1 percent in 1990. The important consideration is that, from 1958 to 1991, it declined from a high of 39.3 percent to 11.9 percent in the private sector, while it increased from 12.7 percent to 36.9 percent in the public sector.

Unionism, in its purely economic sense, is a cartel of labor. Such cartels are usually defeated by free markets. It should be no wonder that unionism in the private sector has declined.

Deregulation of trucking and the air-

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lines had a profound impact on the transportation unions. The relationship was no longer that of a labor cartel dealing with a government-sponsored cartel of service providers. Contracting out government services to the private sector can and will have an equally profound effect on the public-sector unions.

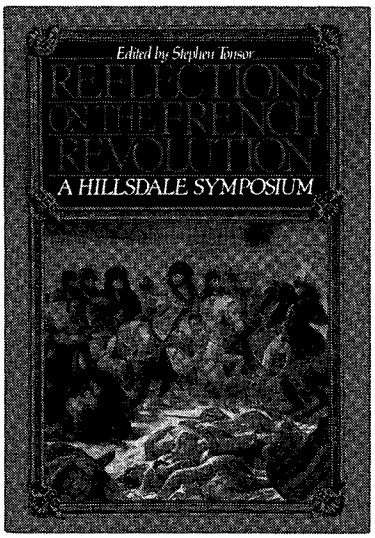
David Y. Denholm
President
Public Service Research Council
Reston, VA

Ms. Postrel replies: That Mr. Faille has so grossly misunderstood my article is some indication of how stylized the discussion of unions in America has become. Far from arguing against collective bargaining, I was seeking to think seriously about what collective bargaining would look like if unions could freely use their power to strike but employers could freely hire other workers. As I said in the article, few employers want, or can sustain, instantaneous 100-percent turnover, making the strike a powerful bargaining tool under any circumstances. But unions whose members are especially skilled or especially mobile are in a better bargaining position than unions who offer no value added to members—hence the argument that it is in the interest of unions to provide training, nationwide "hiring halls," etc.

Mr. Leef raises an interesting point about indefinite certification. He ignores, however, the significant efficiencies of single-union bargaining not only for workers but also for management. Over the long term, it is unlikely that workers doing the same job in the same firm would wind up belonging to different unions.

Mr. Denholm's statistics reinforce my point that unions have pursued a strategy that emphasizes organizing monopoly government shops rather than offering added value to workers and thereby increasing their bargaining power. Instead of acting as cartels, however, such value-added unions would survive in the private sector the same way brand-name products do—by avoiding profitless "pure competition" through differentiation that commands higher prices.

REFLECTIONS ON THE FRENCH REVOLUTION



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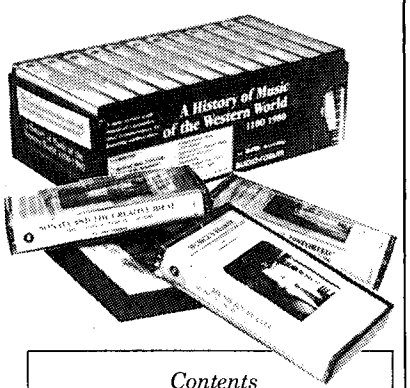

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The Other Path

The Shining Path, Peru's Maoist terrorist group, first bombed the headquarters of the Institute of Liberty and Democracy in April 1991. Hernando de Soto, the institute's president and an internationally reknowned economist rumored to be at the top of the Shining Path hit list, had left the premises just minutes earlier. (See "What's Wrong with Latin American Economies?", October 1989.) Last July the Senderistas came back for a second try.

On Monday, July 20, some 30 armed Shining Path terrorists stormed the institute's headquarters in the quiet Miraflores suburb of Lima. A fight with the security guards outside gave the institute staff time to hit the floor before the explosions began. When the smoke and dust settled, three people were dead and at least 20 wounded. But the Senderistas missed de Soto again.

Why does this Peruvian-born economist so threaten the Shining Path?

For all the Senderistas' terror, the 10,000-member group offers a haven of predictability and relative safety for Peruvian peasants otherwise caught between corrupt officials, wealthy drug kings, and the entrenched mercantilist class. De Soto's plans for establishing the rule of law and securing property rights for peasants threaten to weaken the terrorists' hold on the discontented and frightened masses—and to undermine the coca traders on whom the Senderistas depend for much of their money by encouraging coca farmers to switch to other crops.

Although the Shining Path complains that the institute's efforts are "distancing young people from participating in the popular war," suggesting that this second bombing won't be the last, de Soto is undaunted. "We will continue the fight, using democracy as our only weapon," he declares.

—Elizabeth Larson

Chicken Wars

The U.S. Supreme Court has agreed to hear a challenge to a Hialeah, Florida, ordinance outlawing the ritual slaughter of animals. Carefully worded to allow for the preparation of kosher meat, the law was specifically aimed at stopping the animal sacrifices practiced by followers of Santeria.

Brought to Florida by Cuban immigrants, Santeria is a mix of Roman Catholicism and the ancient African religion of Yoba. Practitioners offer up prayers to the saints for divine intervention in their lives, and on special occasions animals are sacrificed to help win a saint's favor.

The ACLU is suing to overturn the law, and it has attracted the support of a large number of religious leaders. The Rutherford Institute, the Christian Legal Society, the Presbyterian Church (USA), the Catholic League for Religious and Civil Rights, and the First Liberty Institute have all filed friend-of-the-court briefs asking that the law be overturned.

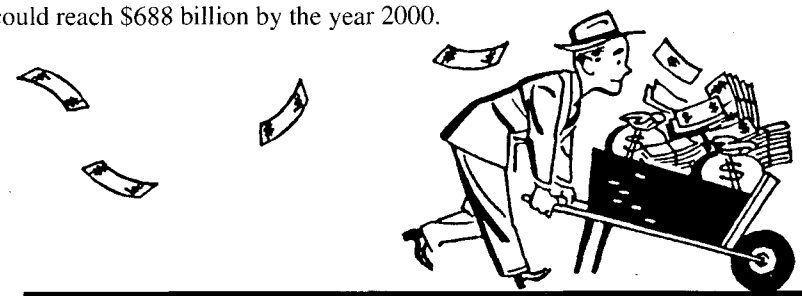
In 1990 the Supreme Court held in *Employment Division v. Smith* that a person's religious beliefs do not exempt him from complying with "neutral and generally applicable laws." The ACLU argues that the Florida law is not "neutral and generally applicable" because it singles out religious practices.

"You can still kill a chicken in Hialeah," observes Robyn Blumner, executive director of the Florida ACLU. "You just can't pray over it when you do it."

—Charles Oliver

Choked by Red Tape

Why has the recession lasted so long? Partly because the Bush administration and Congress have joined together to burden the economy with all sorts of rules and red tape. During the last four years, the number of pages in the *Federal Register*, which lists all regulations, grew from 47,418 pages to 67,715 pages. These rules have a cost. The Congressional Joint Economic Committee estimates that federal red tape is equal to an indirect tax of $500 billion each year. The annual tab could reach $688 billion by the year 2000.



ANNUAL COSTS OF FEDERAL RED TAPE

Environmental Regulation	**$115** billion
Safety Regulation	**$29** billion
Economic Regulation	**$256** billion
Paperwork Burden	**$100** billion

Source: "The Growth of Federal Regulation," Joint Economic Committee

Code Words

It just got a little easier for American computer companies to sell secret codes. A July 17 agreement between the Bush administration and the Software Publishers Association loosens export controls on a burgeoning technology: cryptography, the ciphering (encryption) and deciphering (decryption) of messages in code.

Cryptography already has thousands of uses, from four-digit personal identification numbers for automatic teller machines to complicated strings of code that financial institutions use to transmit money over telephone lines. And the Software Publishers Association estimates that annual sales of encryption software could top $5 billion within five years.

Before the July agreement, the National Security Agency used 40-year-old regulations, which defined cryptography as a weapon, to effectively prohibit any American company from exporting hardware or software that used cryptography. Under those regulations, the NSA has prohibited the export of antivirus software and commonly available computer programs. Since American firms get more than half their sales from foreign customers, the NSA's controls shut a state-of-the-art industry out of profitable markets.

After last year's Soviet collapse, U.S. allies revoked their own bans on cryptography exports. But the NSA, citing national security concerns, continued to review (and routinely deny) export requests from American firms.

After Rep. Mel Levine (D-Calif.) introduced legislation that would have allowed the export of any commercially available encryption programs, the NSA agreed to a compromise. It approved two encryption codes licensed by RSA Data Security, a Redwood City, California, firm. Any company that wants to export other codes still has to get permission from the NSA. Industry officials can also meet with the NSA twice a year to request more-liberal export policies.

—Rick Henderson

Vitamin Squad

When Food and Drug Administration agents broke down the door of the Tahoma Medical Clinic where Marge Murphy worked as a receptionist, they stuck a gun in her face and told her to reach for the sky. Accompanied by 20 armed police officers, the FDA agents began their May 6 raid in search of what they called "dangerous drugs": vitamin B supplements.

The FDA has been using such scare tactics against organizations advertising the health benefits of nutritional supplements for years, but their frequency has been stepped up since David Kessler became the agency's head. Once a physician or company makes a health claim about a vitamin or other nutritional supplement, that substance falls under the FDA's definition of an "unapproved drug." Thanks to a bill introduced by Sen. Orrin Hatch (R-Utah), the FDA may soon be prohibited from carrying out raids for vitamins and minerals as if they were looking for cocaine or heroin.

The Health Freedom Act of 1992 would prohibit the FDA from calling a nutritional supplement a drug solely because it exceeds the U.S. Recommended Daily Allowance or because its labeling makes a truthful health claim—that, say, vitamin D pills prevent rickets or calcium is good for your bones. The bill would also broaden the definition of nutritional supplement to cover herbs and herbal extracts.

Steven Fowkes, president of Direct Action for Treatment Access, says the Hatch bill is "an attempt to counteract the Nutrition Labeling and Education Act of 1990, which would outlaw above-RDA vitamins without prior FDA approval." The NLEA regulations will go into effect in November.

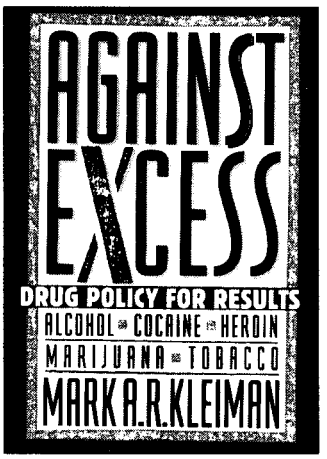
Says Hatch, "Consumers should be able to purchase any food they want—whether it is an egg, ice cream, a steak, coffee, potato chips, or a dietary supplement—regardless of whether someone in the federal bureaucracy approves."

—Elizabeth Larson

THE BASIC ISSUE:

Dealing with Drugs

Drug-taking and drug control are alike: both are often done to excess. *Against Excess* shows how we can limit the damage done by drugs—and the damage done by drug policies.



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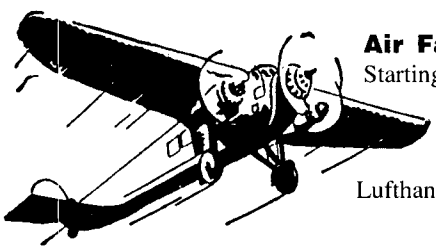
BALANCE SHEET

Assets

Sentence Fragment. The Michigan Supreme Court strikes down the nation's toughest mandatory minimum sentences for drug possession. A 4-3 majority deems the "drug lifer" law—life in prison without parole for having 650 grams of cocaine—cruel and unusual punishment. Inmates now become eligible for parole in 10 years.

Private Investigation. A World Bank study cites "substantial gains" from privatization in Chile, Mexico, Malaysia, and Great Britain. Researchers looked at the sale of 12 state-owned firms, including airlines, telephone companies, and railroads. In 11 cases, shareholders, employees, and consumers gained. The 12th, Mexicana Airline, overspent on new planes, hurting profits. The authors say privatization "make[s] the world a better place."

Ruble Rousers. The International Monetary Fund considers a currency board for the former Soviet Union. (See "Clearing the Ruble," Mar.) Thomas Dawson, the IMF's U.S. executive director, tells the Senate Foreign Relations Committee, "Anything that can bring inflation under control"—even a private currency board—"is being looked at."



Air Fairs. Airline deregulation reaches Europe. Starting next year, airlines, not Eurocrats, will set fares. And by 1997, airlines can openly compete for customers on any route. Bonn to Berlin? Choose Air France, Alitalia, or Lufthansa. Plan that visit to the Old Country.

Liabilities

Bureaucrat Bonanza. The number of state and local government employees jumps 2.6 percent from 1990 to '92—even as private nonfarm employment drops by 2.2 percent. And bureaucrats' salaries increase by 6.1 percent in 1991, twice as fast as the economy as a whole. Forget austerity, says *Forbes*, "the good times keep rolling."

Elastic Banned. A bungee jumper in Michigan plummets to his death. So the Florida Department of Agriculture and Consumer Services bans the activity. But in the Sunshine State you may still hunt alligators, fish with a spear gun, and go to Disney World.

Civil Libertines. The ACLU's "Campaign for the Bill of Rights '92" says end mandatory minimum drug sentences. Hear, hear. But consider its other three points: an urban Marshall Plan, abortion on demand, and a constitutional right to a job. Mr. Madison, call your office.

Border Patrol. House Majority Leader Dick Gephardt's idea of a free-trade agreement: new tariffs. As a condition for the North American Free Trade Agreement, he wants a tax on "cross-border transactions" (a.k.a. imports) to fund worker retraining. He also says Mexico must enact minimum wages and tough health and safety standards. Meanwhile, "free-trader" Bill Clinton backs "Gephardt's continuing efforts [to ensure] that these goals are, in fact, incorporated." These are the "new" Democrats?

—Rick Henderson

Light-Fingered Lawmen

Antwon Beloizaire planned to take the money he and other migrant workers saved during years of back-breaking labor to their families in Haiti. But as he drove down I-95 from Maryland to Miami, the Florida police had other plans. They permanently confiscated $8,500 from Beloizaire. His crime? Speeding.

A series of articles in the *Orlando Sentinel* brought cases similar to Beloizaire's to the attention of Florida Gov. Lawton Chiles. On June 22, Chiles created a panel to investigate possible abuses of Florida civil-forfeiture laws.

Federal and state laws allow police to seize property they believe may have been involved in committing a crime. (See "U.S. vs. One Assortment of 89 Firearms," May 1990.) Police often assume that any black or Hispanic carrying a large amount of money must be a drug dealer; this combination of race and cash, it seems, can be sufficient to establish "probable cause."

Critics accuse police departments of using these laws to fatten their wallets at the expense of innocent citizens. For example, Volusia County, Florida, police have raised more then $8 million by stopping motorists for minor traffic violations and then confiscating their automobiles or cash. *The Sentinel* reports that three-fourths of these drivers are never charged, fewer than 6 percent even get traffic tickets, and a stunning 90 percent are black or Hispanic.

Florida is not alone. Since 1985, *USA Today* reports, federal lawmen have confiscated $2.4 billion from tens of thousands of citizens. Nearly all states have civil-forfeiture laws, and the Justice Department recently allocated $250,000 to lobby state legislatures for even harsher statutes.

Abuses of civil-forfeiture have sparked cries for reform. In Florida, the NAACP may soon file suit against Volusia County for its civil-forfeiture excesses. And in New Jersey, a new public-interest group, Forfeiture Endangers American Rights, recently convinced Assemblyman John S. Penn (R-Summerville) to introduce a bill that softens the state's forfeiture laws.

—Grant Thompson

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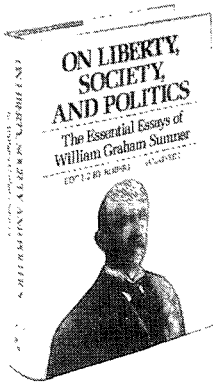

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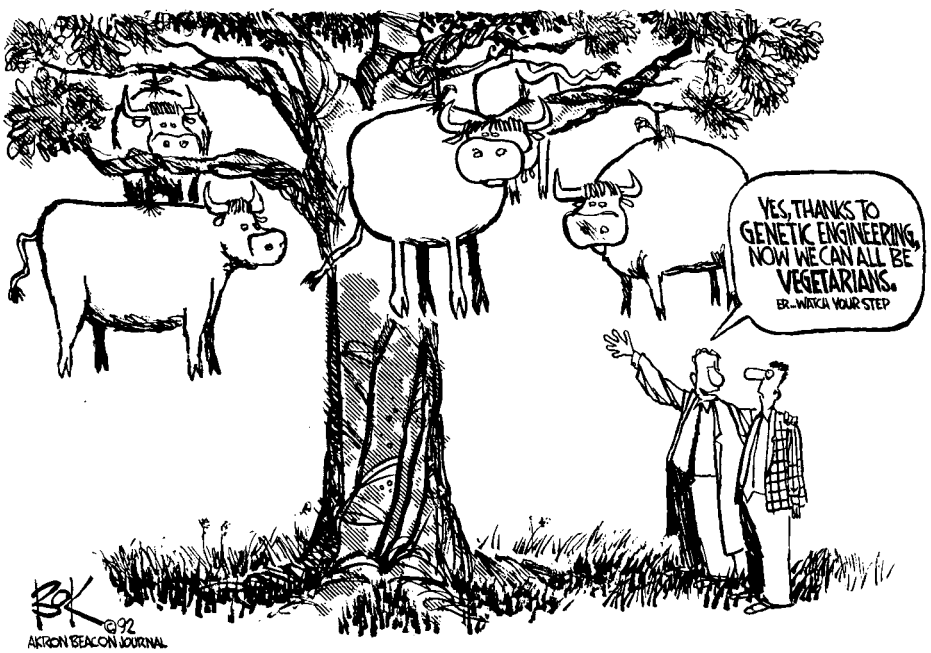
BRICKBATS

How many Philadelphians does it take to change a light bulb? Well, at Philadelphia International Airport civil-service rules require three: a building mechanic to remove the light panel, an electrician to actually change the bulb, and a custodian to sweep up the dust.

The latest plank in the animal-rights platform: cat control. Animal lovers want to make it illegal for people to let their kitties out of the house. It seems that animal-rights activists have discovered that cats have a nasty tendency to kill birds, rabbits, frogs, and other cute creatures. "A housecat hunts for fun," says Merritt Clifton, former editor of *The Animal's Agenda*. "It gets all its calories indoors, and then it goes out to devastate whatever there is to devastate."



Meanwhile, a battle between animal-rights types and clean-energy advocates may be shaping up in California. Unable to see the rapidly turning blades, thousands of birds each year crash into the state's windmill farms and die.

More bad news for environmentalists. The Southern California Air Quality Management District has identified tree resin and sap as major causes of smog. Seems Reagan may have been right about those killer trees.

John Tanner, the state prosecutor in Daytona Beach, Florida, has made a name for himself with a string of unsuccessful criminal prosecutions of local video stores that rent adult tapes. Now, Tanner is trying a new tack. He recently demanded that two stores turn over the names and addresses of everyone who had rented specific adult titles. Tanner says he wants to interview the people so he can better prepare future cases. When asked by *Privacy Journal* if he knew his request violated the federal Video Privacy Protection Act, Tanner admitted he'd never even heard of that law.

House Sergeant at Arms Jack Russ resigned in March amid speculation that Congress was going to discipline him for his role in the House bank scandal. Now comes word that Rep. Mervyn M. Dymally (D-Calif.) has hired Russ as a part-time consultant, paying him with public funds. Russ, who was just short of 25 years of government service, will be eligible for a full pension after working in Dymally's office for a few months.

Richard Roberts, executive director of Chicago's Christian Industrial League, has learned a few things about people who listen to National Public Radio. On July 4, the league threw a barbecue for the city's homeless. Roberts did an interview publicizing the event on Chicago public-radio station WBEZ and mentioned that the picnic would include the launching of red, white, and blue balloons. The league's office was flooded with phone calls...protesting the balloon launch. Callers feared that birds might try to eat the balloons and choke on them. Not one caller volunteered to help with the event. Asks Roberts, "Where were these 'concerned' people last winter when we ran out of food at the shelters and were in desperate need for help?" They were probably trying to teach their cats not to kill birds.

When Sen. Mitch McConnell (R-Ky.) heard Ted Bundy say that pornography made him kill, he introduced a bill to let sex-crime victims sue the publishers whose books supposedly inspired their attackers. One wonders what he'll do when he hears about Daniel Blomquist. The Santa Clara, California, resident has been charged with beating his 11-year-old son almost to death. The child suffers from an adrenal disorder that makes him lethargic. But Blomquist thought the boy was just lazy and beat him daily for four weeks because "that's what the Bible says to do."

—Charles Oliver

Landmark study of liberalism

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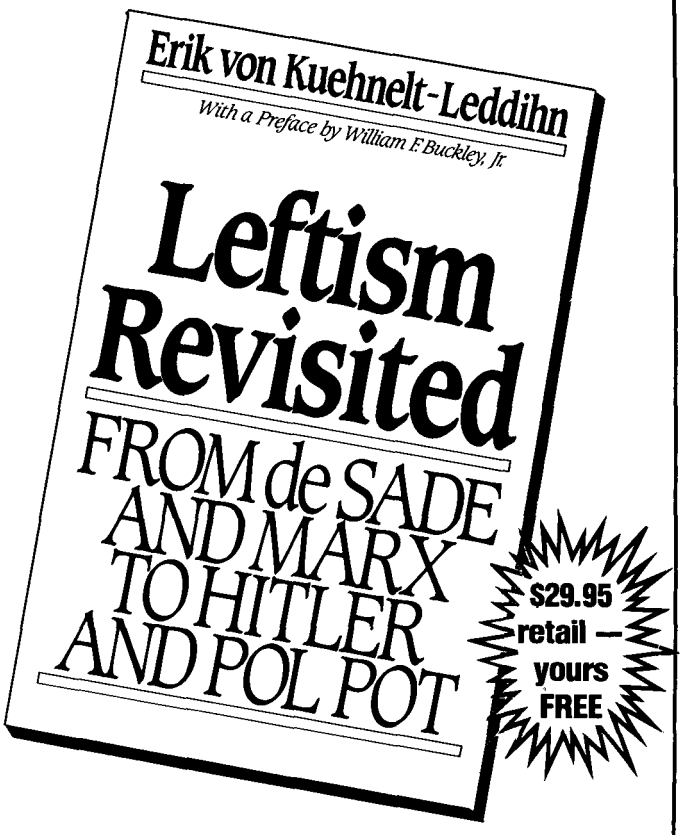
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JUST BECAUSE YOU'RE PARANOID...

BY TODD SEAVEY

You get a lot of revealing mail if you take an interest in politics. It can show you what's *really* going on in the world—what the conspiracy theorists are up to, for instance.

Some of the oddest things that reach your mailbox get there because some group in which you actually are interested—say, Conservative Magazine A—gives its mailing list to a group with a somewhat different purpose—say, Governmental Watch Group B—until, through a postal inversion similar to the mutations of messages that occur in the children's game Telephone, you get something in the mail that asks for donations to the Stalinist Action Committee of Toronto.

Now the circulation director of this magazine assures me that such list switching is highly unlikely, indeed unethical, since lists are only "rented" for one-time use. But how else do you explain the recent appearance in my mailbox of a small catalog for fans of crypto-fascist survivalist books?

Oh, sure, it was fun. But it was disturbing, too. In between practical titles like *Ragnar's Guide to Home and Recreational Use of High Explosives* and *Where There Is No Dentist* were more theoretical works purporting to explain why you would want to—correction, may have to—run off into the woods to blow up dams and remove your own wisdom teeth.

The ads for books such as *Descent into Slavery* explain that the hidden manipulators called the Illuminati have set up the New World Order to destroy civilization. The catalog alternates between making the conspiracy sound totalitarian and making it sound libertine. On one page, IRS oppression is the enemy; on the next, it's drug users, gays, and capitalists.

Some of the ads almost sound like excessive versions of ads you might see here in the respectable pages of REASON: "Outlines the ONLY proven remedy for government oppression!...If this pamphlet cannot inflame your zeal for LIBERTY and ACTION, you are either dead or a coward!" Others make it apparent that these particular anarchists aren't upset so much by the fact that the government is oppressive as by the fact that it's oppressing the wrong people: "He surveys the race-mixing, the open homosexuality, the growing influence of drugs, the darkening complexion of the population...."

After perusing their literature, it seems to me that conspiracy theorists have a lot riding on the 1992 election. President Bush has become the climax of all those bizarre theories that say the Freemasons have been running the Federal Reserve since the Middle Ages. If the New World Order goes up in smoke in November '92, at least 200 years of plotting by Masons, Illuminati, covert Bolshevik battalions, and Satanists will appear to have ended in defeat—and the conspiracy theorists will suddenly be out of work.

Indeed, I suspect it was a secret, powerful cabal of conspiracy theorists—looking to hedge their bets—who arranged for Al Gore to be Bill Clinton's running mate. Gore, after all, went to the Earth Summit, which smacks of World Government. And this whole "New Covenant" theme the Democrats are touting sounds like a pact with Satan if there ever was one. Yeah, I'll bet the Christic Institute is in on it, too.

I must admit it's tempting sometimes to believe that there's a huge plot going on. Take the time two summers ago when a TV special alleging that Elvis faked his death as part of a DEA investigation started by Nixon was aired opposite a Three Stooges short in which a Nazi general yells, "Seize them [Moe, Larry, Curly] in the name of the New World Order!" Should we be so quick to dismiss it as coincidence? How, then, would you explain that last April, Easter, Earth Day, Hitler's birthday, Axl Rose's appearance at the Concert for Life, Shirley MacLaine's birthday, headline announcements of new evidence for the Big Bang theory, the final episode of *MacGyver*, and the last day of voting for the Elvis stamp all fell *in the same week*?

Oh, you can choose to ignore the signs if you want, my friend. But when you're weeping in the ruins of civilization, I'll be thumbing through my newly ordered copies of *How to Make Disposable Silencers, Vol. 1* and Uncle Ragnar's *Breath of the Dragon: Homebuilt Flamethrowers*. We'll see whose progeny repopulate the planet.

Todd Seavey is a writer in New York City.

TOM DALY

THE RADICAL CAPITALIST™

The Radical Capitalist has been infuriating statists, heartening the partisans of liberty, and enlightening the undecided since 1982. Here's why:

Standing on principle

The Food and Drug Administration, one among many self-lionized champions of what is compassionately regarded as the helpless, witless — i.e., "ordinary" — American, has passed from its reckoning with the orange juice industry to take on the current nemesis of the national well-being: namely, the manufacturers of health devices *in toto*. While millions of Americans wait for FDA Commissioner David Kessler and other overexposed clerks to approve the cures for what ails them — drugs and devices developed by men and women in possession of brains and skills that the Commissioner and his colleagues long for and despise, and manufactured by organizations possessing the performance standards that drove Kessler onto the government payroll in the first place — the agency has decided to devote its cut of the common weal to a brisk reaffirmation of the regulator's first and second commandments: *Produce not* and *Pillory those who produce*. In order to discharge its obligation under the latter commandment, the FDA will enlist some old allies: namely, the popular confusion over the terms "safety" and "guarantee," over the relationship of judgment to accountability, and over the relationship of accountability to economics and to due process under the law.

Consider the following from an article that appeared on the front page of *The New York Times* (February 24, 1992), entitled "U.S. Cracks Down on Health Devices Made Before 1976." The article cites, as impetus for the "crackdown," the late controversy over the safety of silicone gel breast implants.

> The F.D.A.'s crackdown on silicone gel breast implants came about after the agency saw data from the four primary makers of the implants and the plastic surgeons who use them. When asked by the Government to supply evidence of the product's safety, they responded only with anecdotal evidence and then said the implants had to be proven dangerous before they could be ordered off the market.
>
> Their argument failed, and an advisory committee of experts appointed by the agency recommended Thursday that the implants come off the open market and instead become experimental items obtainable only by doctors and women willing to become part of a national experiment on the safety of silicone.

Holding a device dangerous until proven safe is equivalent, epistemologically and *legally* (when not proving safety results in a state-imposed penalty) to holding an individual accused of a crime guilty until proven not-guilty. If a *safe* product is one that does *not* cause or increase the risk of harm, then attempting to "prove safety" means attempting to prove the negative. When an individual goes to trial, he is considered not-guilty at the outset — not because the "benefit of the doubt" is an arbitrary-but-cherished ethic embedded in our laws, or because the mark of a liberal society is the magnanimous compassion it affords outcasts, but rather because it is illogical to conclude that a characteristic alleged of any entity is indeed possessed by it if that characteristic is not in evidence, or cannot reasonably be construed from evidence available for examination. (This is as true for man as it is for nocturnal fungi, quasars, the dark side of the moon, and silicone gel.) And as "innocence" refers not to a demonstrable action (i.e., the "action" of "not committing" a crime), so "safety" does not refer to a demonstrable characteristic (i.e., the "characteristic" of "not causing" harm). The burden of proof is always on the party alleging the positive, whether it be the taking of a specified action or the possession of a specified characteristic.

And yet this is the argument that, the article simply states, "failed." Which criteria did it fail? The arbitrary criteria of *ad hoc* technocrats convened as a public health *soviet*: a government-recruited committee of "experts" assigned the task of determining whether or not enough evidence had been adduced to show that silicone gel breast implants possess the characteristic of "not harm." Since, as noted above, it is impossible to prove the negative, the reasoning public is left to wonder at what data, assurances, and opinion the "experts" will submit in the place and under the name of "proof" at the conclusion of their "national experiment. "

What will a woman who has undergone a radical mastectomy do now that the only way she can satisfactorily and legally reconstruct her breasts is to say that she is willing to become a federal lab rat? How much worse can she expect to fare after having placed her signature beneath the clause that begins, "I understand that this device is experimental only, and accordingly agree to hold harmless any and all ...?" If she doesn't like these terms, where can she go for better ones without leaving the country? The "national experiment" is the only game in town.

From "Is It Safe?"
by Dan Roentsch, Volume IX, No. 2

Now more readers than ever have an opportunity to be infuriated, heartened, and enlightened by taking advantage of our special half-price offer — six 16-page issues for just $6.

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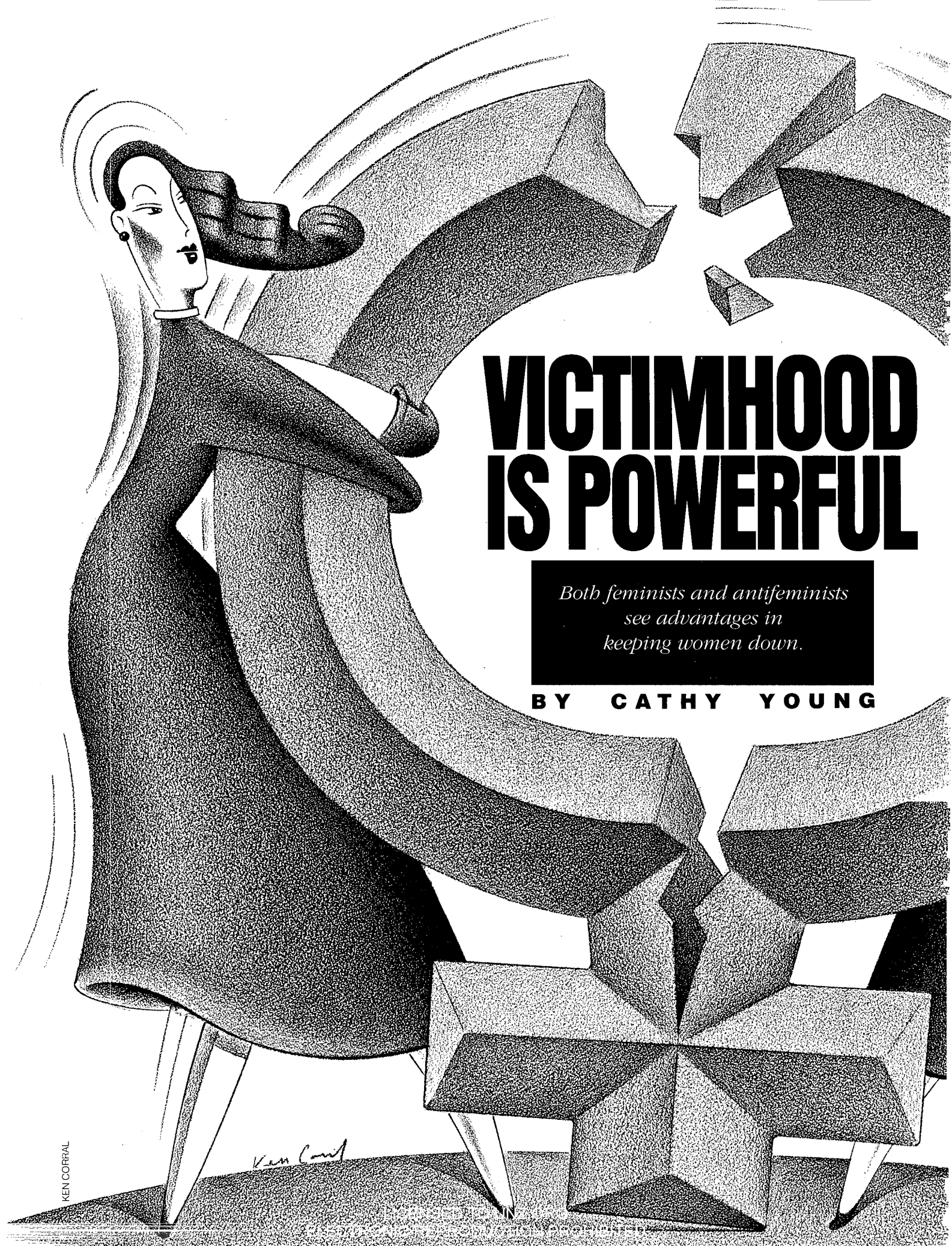
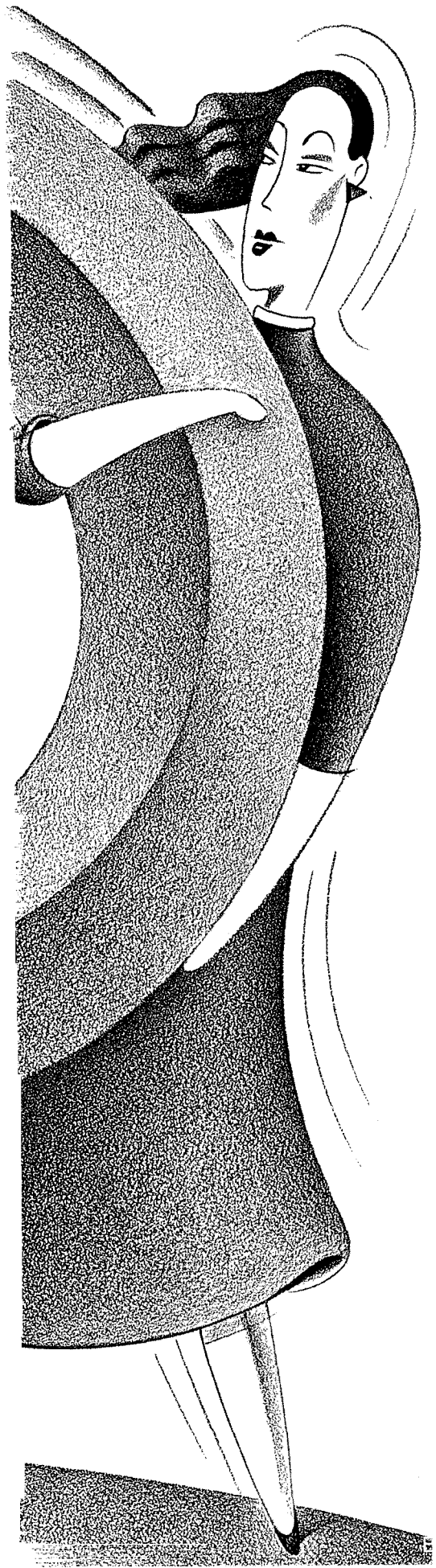


VICTIMHOOD IS POWERFUL

Both feminists and antifeminists see advantages in keeping women down.

BY CATHY YOUNG

KEN CORRAL



A woman wants to sue a moving company for damaging her furniture. Unfortunately, she has signed a paper waiving any liability for such damage. Case closed? Maybe not. She signed the paper without reading it, and one could argue that this is a natural thing for a woman to do and therefore the signature shouldn't be held against her. Who would use such an argument, you may ask, except some old, paternalistic male judge? Try a feminist legal theorist.

The argument, by the late New England School of Law professor Mary Jo Frug, goes thus: Since the movers were tired and in a hurry to leave, and since women are socialized to be concerned about the feelings of others, the woman was acting reasonably from the female point of view. This peculiar logic is typical of the new school of feminist legal scholarship. Where feminists once fought for legal equality of the sexes, this new school holds that since women are socially disadvantaged, treating them as equals before the law can only further victimize them.

Feminist legal theory may exist in a rarefied academic world, but its focus on victimhood reflects an increasingly prominent tendency in more "mainstream" feminism as well, at a time when the revival of the women's movement is touted as one of the big stories of the year. The chapters in this story—Thelma and Louise, Anita Hill, the Palm Beach trial, Naomi Wolf's *The Beauty Myth*, Susan Faludi's best-selling *Backlash*—have something in common, besides being about women, sex, and gender. At their center is the image of women as victims—victims of men, or victims of a (male) societal conspiracy. The women's movement of the 1960s and '70s was perhaps equally preoccupied with the oppression of women; but it was also about affirming female freedom and self-actualization and challenging stereotypes of women as weak and helpless. Today, the stress is not on women developing assertiveness but on society accommodating female passivity.

Meanwhile, antifeminist conservatives have created their own victimology of women. Responding to Faludi's contention that women are victims of a male-dominated culture, *Washington Times* columnist Suzanne Fields concludes, "It's actually worse than that. The culture of feminism has made them victims as well."

A 36-year-old bride wistfully tells Fields that if she could do it over again, she would have had babies at a younger age. "A few young women, fresh out of college, joke about wanting to enjoy the life of 'cooking and sewing' their grandmothers describe," Fields writes. In fact, these women would not really want to give up their modern-day freedoms and opportunities, but they suspect that the gains have brought along some drawbacks; should they want to find a man willing to support a nonworking wife, it may not be easy.

The feminist Susan Faludi suggests that if many women worry about having children before it's too late, or even, heaven forfend, want to quit their jobs and stay home rearing those children, it's because they've been brainwashed by the media and by perfidious Reaganauts.

The antifeminist Maggie Gallagher suggests, in the 1990 book *Enemies of Eros*, that if many women put careers first, find full-time motherhood dissatisfying, or even, heaven forfend, do not want children at all, it's because they've been brainwashed by the media and by perfidious feminists. To both Faludi and Gallagher, choices they find unpalatable and baffling must be not merely wrong but somehow involuntary.

Of course, each vehemently denies the other's version of victimization. While Faludi does not specifically mention Gallagher, she heaps ridicule on the "postfeminist" lamentations about the miseries of single women and working mothers. (While the ridicule is mostly well deserved, she typically overshoots her target and ends up denying the obvious: that many single women in their 30s do worry about their prospects for marriage and motherhood and that many working mothers often do feel exhausted and torn between their two roles).

And Gallagher, in a review of *Backlash*, skewers Faludi for refusing to confront the fact that women want to stay home while their children are young (even as Gallagher virtually ignores the fact that many women have tried staying home but then gone back to work, feeling stifled or realizing how much their identities were tied to their jobs—and that many of those who remain full-time mothers have moments of ambivalence and conflict).

For anti-abortion activists, the woman who terminates a pregnancy is no longer a promiscuous, selfish murderess. She's a victim.

The conflicting yet mirror-image visions of female victimhood became apparent recently in the responses to the Tailhook incident, in which a number of Navy women were sexually molested by drunken fellow officers at a convention, and to the nearly simultaneous revelation that female POWs in the Gulf War had been sexually assaulted by Iraqi soldiers. Liberals focused on the misconduct at Tailhook—pretty egregious, by all accounts—to push for a radical program of gender sensitivity training that lumps physical assault together with sexual innuendo and for an expansion of women's role in the military; apparently women can handle combat but not lewd jokes. Conservatives seized on the abuse of the POWs to argue, as a *National Review* editorial put it, that it's time for the Pentagon to "come out firmly against putting our mothers in army boots." (Meanwhile, one of the women POWs, flight surgeon Maj. Rhonda Cornum, told interviewers that since her experience was not life-threatening, disabling, disfiguring, or excruciating, she didn't consider it important and believed that the torture inflicted on the male prisoners had been much worse. One wonders if this determination not to be a victim disqualifies Cornum as a modern-day feminist heroine.)

Right-wing victimology has also surfaced in the rhetoric of the anti-abortion movement. The image of the woman who terminates a pregnancy as a promiscuous, selfish murderess has given way to the soothingly familiar image of woman as victim. A July 14 full-page ad in *The New York Times*, entitled "A New American Compact: Caring About Women, Caring for the Unborn" and signed by Pennsylvania Gov. Robert Casey, Harvard University law professor Mary Ann Glendon, and a number of pro-life feminists, asserts that the right to abortion "has ushered in a new era of irresponsibility toward women." The new party line goes thus: A woman faced with an unwanted pregnancy needs compassion and help, but our cold and uncaring society leaves her with no choice but to kill her baby. Let's offer her social programs, government-enforced maternity leave, subsidized day care (no wonder Gov. Casey, a Democrat, insists that his party rightly belongs on his side of the abortion issue), and of course she'll want to be a mother. If she still doesn't—well, she should try harder.

The kinder, gentler right-to-lifers are out to redefine abortion as exploitation of women—by profiteering abortionists, selfish boyfriends or husbands, and other assorted (male) villains. Abortion becomes "surgical rape," as if pregnant women were grabbed on the streets and dragged kicking and screaming inside the clinics. The conservatives have even found their very own victim group: women who regret their abortions.

"My child died because of *Roe v. Wade*," Olivia Gans, head of American Victims of Abortion, declared in a 1989 television debate. When an opposing panelist pointed out that she was the one who made the choice—*Roe* merely enabled her to do so—Gans shot back, "It was a choice I was forced to make, because of the pressure of the abortionist." Never mind that at many clinics, up to 40 percent of the women who come in for counseling opt to carry their pregnancies to term and that women who went in for abortions but changed their minds have described clinic staffers as sympathetic and supportive.

Yet many of the feminists who cringe when they hear someone like Gans assert that no woman can make a truly voluntary choice to "kill her baby" are being hoist by their own petard. If antiporn activists can claim that a woman who, in the words of legal theorist Catharine MacKinnon, "spreads her legs before a camera" cannot be exercising her free choice, what's so different about a woman spreading her legs before a suction machine?

The image of woman as victim of abortion has an interesting corollary in the image of woman as victim of sex. Access to abortion, says the "New American Compact" ad, has "encouraged irresponsible or predatory men, who find abortion a convenient justification for their lack of commitment." A male conservative college professor in his mid-30s once explained to me that the availability of abortion allows men to exploit women sexually because it takes away fear of pregnancy as a reason to say no to sex. But doesn't it also allow women to say yes to sex if that's what they want? Oh, but they don't want that, he replied; they want to marry and have babies, and restrictions on nonmarital sex gave them the leverage to harness men into family life.

This "why buy the cow when you can get the milk for free" theory of love and marriage has become a staple of neoconservative thinking and a leitmotif of such baby-boomer female conservatives as Fields and fellow columnist Mona Charen. "In the twinkling of an eye (a male eye)," writes Charen, "women abandoned standards of sexual conduct which had protected them from untempered male lust for millennia," only to "look

at their hands and recognize that they had given away their trump"—the sexual favors they could have traded for marriage. In this scheme, a woman's desire for sexual or social freedom becomes a transgression against other women who desire security: By making sex out of wedlock available to men, they reduce the pressure on men to marry. According to this reasoning, when women were ostracized and forever banned from decent society because of a youthful indiscretion, it was for the greater good of womankind.

In matters of sex, the left-wing and right-wing images of female victimization sometimes achieve a truly uncanny resemblance.

"A man exploits a woman every time he uses her body for sexual pleasure while he is unwilling to accept the full burden of paternity....That is to say, single men (and frequently married men) exploit women almost every time they make love. [The woman] may consent fully, knowledgeably, enthusiastically to her exploitation. That does not change the nature of the transaction." This is Gallagher in *Enemies of Eros*, which carries admiring blurbs from Robert Bork, George Gilder, and Suzanne Fields.

"Physically the woman in intercourse is a space invaded, a literal territory occupied literally; occupied even if there has been no resistance; even if the occupied person said, 'Yes please, yes hurry, yes more.' " This is Andrea Dworkin in *Intercourse*, the book that explicitly says what many radical feminists alternately imply and deny having implied: All heterosexual sex is rape.

Of course, to Dworkin, sex is always rape; to Gallagher, it is exploitation only when the man is not prepared to support the child he might father (even if the woman has no desire for a child). But the underlying logic is the same. Women are exploited even if they don't know they're being exploited; women are raped even if they don't know they've been raped—a standard line even among anti-date rape activists who shun Dworkin's extreme position.

The women's movement surely deserves credit for helping dispel the notion that a woman who goes to a man's room or kisses him relinquishes her right to refuse sex. But what currently occupies center stage in feminist activism is an ever-expanding effort to redefine rape as any time a woman has sex when she's not quite sure she wants it. If she is too ambivalent or unassertive to say no, that's not her problem. In rape prevention workshops on campuses, young men are being told that they may have raped some of their seemingly willing partners if they didn't ask for and obtain an explicit "yes." (See "It Sounds Like I Raped You!", July 1990.)

While the radical feminist view that rape is at the core of traditional male-female relations is anathema to the conservatives, some express a guarded sympathy for the date-rape crusaders, whom they see as misguided but responding to a real need. After the William Kennedy Smith trial, Mona Charen opined on *The Capital Gang* that men had better think twice about casual sex now, because when the woman realizes she's been used, the hurt and humiliation might drive her to make a false charge of rape. And Irving Kristol, writing in *The Wall Street Journal*, somewhat simplistically interprets both the rise of antisex feminism and the outcry against sexual harassment as evidence that women are seeking a return to some form of Victorian morality, which protected women from degrading casual sex, and to old-fashioned male gallantry.

If so many people (mostly women, presumably) are buying copies of *Backlash*, does this mean they're buying into the victim mentality? Not necessarily. If public opinion is any indication, the *Backlash* view of the '80s as one long assault on women's progress should not have found a responsive audience. Only about 28 percent of the women surveyed by *The New York Times* in 1989—fewer than a quarter among white women—thought that men were "trying to take away the gains made by women over the past 20 years." (There may be a lot of book buyers among those 28 percent.) Seventy percent said that at the places where they worked, women had "an equal or better chance of being promoted." And 74 percent of women in an October 1991 Gallup poll for *Newsweek* said that women were better off than 10 years before with regard to economic and social status; 81 percent said that women's legal rights had improved.

In matters of sex, the left-wing and right-wing images of female victimization achieve a truly uncanny resemblance.

Melanie Thernstrom, a 28-year-old writer whose reaction to *Backlash* was largely positive, says that she was interested in Faludi's dissection of how the media fabricate sensational stories—though she readily admits that Faludi's thesis of a relentless war on women's progress reeks of the very sensationalism she deplores. Thernstrom suggests that many of the people who swear by *Backlash* are the same ones who were the most susceptible to the negative media stories Faludi lambastes, such as the hype about the Harvard-Yale marriage study supposedly showing that women over 40 have a higher chance of being killed by a terrorist than of tying the knot: "They're the kind of people who are easily swayed and manipulated by the media and not smart or confident enough to see through those stories, and they really do see themselves as victims of the backlash."

On the other hand, there is precious little evidence that large numbers of women feel they have been victimized by the changes resulting from feminism. In the 1989 *Times* poll, 49 percent felt that women had had to "give up too much" in exchange for gains in the workplace—specifically, time with children and the quality of family life. This could mean that the glass is half empty, or that it is half full. Nor do all those women necessarily want to go back to a prefeminist past; a common sentiment is that if men pitched in more, women would not have had to give up so much. Inequitable division of domestic duties shows up consistently in poll

after poll as a major source of female frustration.

Of course there is, as 43-year-old former English professor, writer, and mother of two Catherine Cox puts it, "that fear in the pit of every woman's stomach that this is going to be the morning when the babysitter calls in sick or the child can't go to day care." Cox adds, however, that most of the working mothers in her suburban Maryland area seem to feel that it's worth it, and those who are home often look forward to going back to work or to school.

It is surely true that for many if not most women, the greater choices and opportunities of today mean greater stress (which is, of course, the largely gender-neutral dilemma of modernity). It is equally true that our choices and desires are, to some degree, influenced by economic circumstances and by social attitudes. Conservatives point out that a majority of working mothers with young children (as many as 73 percent in one survey) say that they would stay home if their families didn't need a second income. Feminists point out that many full-time mothers—28 percent, according to a 1983 poll—say that they would get a job if they could find adequate child care.

Both the feminists who sell the image of woman as victim and their antifeminist counterparts are after power.

There are social pressures that make working mothers feel guilty and social pressures that make homemakers feel inadequate, so in a sense both Faludi and Gallagher are right; in a pluralistic culture, the media can and do send out contradictory messages. Most women today, and to a lesser extent men, are pulled in different directions by traditional and "liberated" imperatives. Yet ultimately (the restatement of the obvious, as George Orwell once remarked, is a duty in this day and age), they are the ones who make the choices.

The sense of more options accompanied by more stress that characterizes women's work and family lives may also be true when it comes to relationships and sex. New York writer Susan Crain Bakos, who surveyed more than 800 women in their 20s, 30s, and 40s for her 1992 book *Sexual Pleasures: What Women Really Want, What Women Really Need*, found that while most enjoy the freedom to be sexually active and are happy that, as a single 31-year-old woman put it, "women don't have to pretend we don't have a sexual past anymore," there are those who feel "pressured into a wantonness that doesn't suit them." But despite the ambivalence, she found very few who would like to go back to old-fashioned chastity or the double standard.

Some women may, as Norman Podhoretz has argued, have used the overblown threat of heterosexual AIDS as an excuse to bail out of the sexual revolution and put sex back in the context of committed relationships. On the other hand, in a September 1990 *New York Times* op-ed piece, college senior Karla Vermeulen mourned her generation's loss of sexual freedom to AIDS and complained of being "locked" into monogamy, although her somewhat older boyfriend was assuring her that the promiscuity really hadn't been that much fun. Men are not alike in their sexual (and nonsexual) needs and desires, any more than women are; the neotraditionalist image of "liberated men" cheerfully hopping from bed to bed is as simplistic as the radical feminist image of all men as potential rapists.

As the issue of promiscuity illustrates, the same experiences can mean many different things. One woman who gets breast implants may feel so much in control of her life that she wants to choose even her body shape; another may be a doormat whose boyfriend threatens to dump her because of her insufficiently ample bust. A single woman involved with a married man may be a sap who keeps trusting his promises to leave his wife, or a work-centered professional who consciously chooses a relationship that will make few demands on her time and her autonomy. And if one man may selfishly push his girlfriend to get an abortion, another may be deeply hurt by having no say whatsoever in the fate of a child he fathered—deeply enough, in some cases, to join Operation Rescue.

In *The Content of Our Character*, Shelby Steele observes, "Like all victims, what blacks lost in power they gained in innocence—innocence that, in turn, entitled them to pursue power....Victimization is a broad, somewhat sloppy word that one can apply to oneself in the most subjective of ways....Our innocence is restored because an injustice was done to us." And the guilt of others becomes something to hold over them.

Parallels between the condition of women and that of blacks in America are often misleading. Apart from the differences in historical background, there is certainly more intimate social interaction between the sexes than there is between the races, and gender separatism is a far more difficult thing to preach (let alone achieve) than racial separatism. Not surprisingly, the victim mentality seems much more common among blacks than among women. But to the extent that women embrace it, what Steele says is also true of them.

The feminist ideologues who sell the image of woman as victim, and, in a different way, their antifeminist counterparts, are after power—the power to impose a social agenda, both on men by intimidation through guilt and on women by telling them what is good for them. The conservatives are obviously less fashionable and less culturally influential; radical feminists, on the other hand, have successfully intimidated the academia, and much of the media as well, by wielding the weapon of gender guilt.

Victimhood can be a very effective shield. To quote Steele again, "when blacks take the floor and point to their difficulties as evidence of victimization, refutation is not easy—it feels like a continuation of the act of victimizing, like blaming the victim." Confronted with pain, obviously sincere and deeply felt, logical arguments seem cold, heartless, insensitive. "How dare anyone question a woman who claims to have been raped?" snarls *the rag*, Harvard's feminist magazine. (It doesn't work quite as well for politically incorrect vic-

tims—e.g., "victims" of abortion—but they're relatively new at this game and trying hard to catch up.) At a conference of the National Council for Research on Women last June, when one of the participants suggested that the insularity and abstruseness of feminist theory was partly responsible for its poor public image, another woman immediately protested, "Isn't it too much of a burden on the oppressed to ask that they not only develop a theory of their oppression but that they make sure it's understood?" To all the rights of victims, add the right to be incomprehensible.

Those who are not power seekers may also have a stake in victim status: It absolves them of responsibility for their own failures and problems. The right-to-life movement has a much better chance of winning converts if it tells women who have had abortions that they deserve pity as victims of surgical rape than it would if it told them they are selfish, sinful, evil. As the traditional American notion of a right to the pursuit of happiness mutates into one of an entitlement to happiness, a conviction takes root that unhappiness is an unnatural state of affairs and therefore someone else's fault. The right to be safe from sexual violence becomes a right to trauma-free relationships.

It is easy to persuade some people to see themselves as victims because, after all, is there anyone who does not feel he or she has been sometimes treated unfairly? Blaming it on sexism—or on women's liberation—can make it seem easier somehow, less arbitrary and more remediable; one's suffering can even be dignified by making it a political cause. Denouncing the unfairness of life—let alone taking a hard look at some of your own decisions that may have contributed to your unhappiness—is far less appealing than denouncing men, or feminists, or both.

Many women, especially professional women, could relate to the feelings of frustration and vulnerability described by Anita Hill. Among them is Linda Chang (not her real name), a 35-year-old New York attorney, who had her own brush with unwanted sexual advances nine years ago: Straight out of law school, she had "a really plummy job" at a Washington lobbying firm when one of the partners made a pass at her in a hotel hallway after an out-of-town company picnic. Shocked and disgusted, Chang decided, urged on by her friends, to make a complaint—which she believes ended up costing her the job. In retrospect, however, she sees things quite differently from Hill's partisans.

Had she been savvier at the time, she says, she would not have reported the incident—not because she would rather have suffered in silence, but because she would not have allowed it to bother her: "Really, the guy was coming on to me and he was being a jerk, so big deal! There are many much more traumatic things that you have to handle if you're a responsible adult. Life is hard. Life is much harder than that." She does not think much of legal remedies (except in cases of persistent, aggressive unwelcome advances) or "sensitivity training" for men: "Women are much stronger if they learn how to deal with it themselves. And it's usually easily dealt with."

Empowerment through victimization has obvious drawbacks. As Steele notes, it encourages the exaggeration of injustices and the perpetuation of victim status. Individual identity becomes replaced by a group identity based on victimhood; if a woman does not perceive herself as a victim, she can no longer speak for women and is no longer seen as speaking in an "authentically female" voice.

"Victim power" promotes suspicion and hypersensitivity. Campus surveys on sexual harassment and discrimination usually include such categories as "perceived hostility," "negative evaluations," "favoritism," "insensitivity," "being ignored," and "sexist teaching materials." Naturally, if 10 percent of the women surveyed feel victimized by sexist teaching materials, but the other 90 percent who use the same materials do not, the conclusion is not that the 10 percent are paranoid but that the 90 percent are in a state of woefully unraised consciousness. Audrey Schauss, a student at New York University Law School, recalls her astonishment when, after a class in which a professor tested her with a trick question (which she answered successfully), two or three female classmates came up and urged her to file a complaint, saying, "He had no right to ask you tough questions like that! Don't you see he was trying to humiliate you in front of the guys?" When Schauss replied that she didn't want to be paranoid about it, the women gave her a pitying look.

Taking a look at some of your own decisions that contributed to your unhappiness is less appealing than denouncing men or feminists.

"Young women are being indoctrinated into [the victim mentality] in the universities," says Linda Chang. "Luckily, most people have a reservoir of common sense tucked in somewhere." Most women may escape unscathed; but for many who feel discouraged by the hardships of life, the temptation of victimhood may be too great. This dodge is a bit tougher for men: For them to define themselves as victims of oppression may not be either a traditionally masculine or a politically correct thing to do.

But there's always hope. The men's movement, its bibles riding the best-seller lists right next to Susan Faludi's opus, seems to be mostly about one great truth: Men are victims too. They are victimized by an industrial civilization, by their fathers, by their mothers, by feminists. They are victimized by the stripper they hire for a bachelor party because she makes them horny while remaining sexually unavailable. (Really.) It seems we're just a few steps away from a brave new world in which everyone is everyone's victim and no one is to blame. ■

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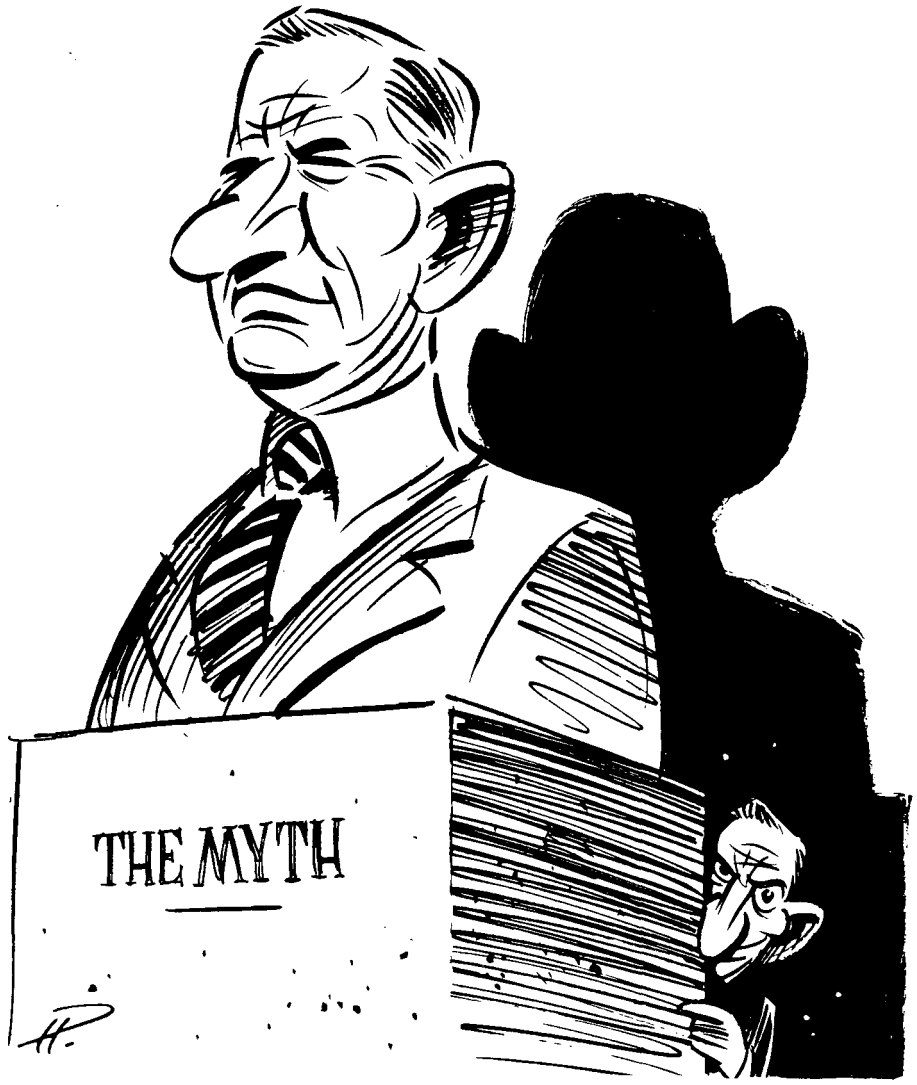


RUNNING ON EMPTY

HENRY PAYNE

Why Perot the "outsider" turned out to be just another politician

BY PAUL H. WEAVER

There were large lessons in Ross Perot's sudden decision to get out of the presidential race, and one of them sank in right away: that Perot had betrayed his supporters as blithely as any professional politician. Perot's people woke up one July morning to find that the man they'd put their trust in wasn't different from other politicians, only quicker. Years earlier, a taller, cruder Texan who campaigned on a promise of no wider war in Southeast Asia had at least waited until the election was over before starting the war. A smoother, preppier Texan who pledged, "Read my lips, no new taxes," hadn't raised taxes until his term in office was half over. Ross Perot broke faith with America before he was even a declared candidate. As volunteers across the country worked to get the signatures needed to put his name on the ballot, Perot took back his promise to run if they qualified him in all 50 states.

Adding insult to injury, Perot didn't apologize and tried to deny that his supporters had any cause for complaint. The decision not to run, he implied, was actually an act of patriotic self-sacrifice. His recent fall in the polls, he said, made it clear that a Perot candidacy would throw the election into the House of Representatives. Not only did he, as an independent, have no chance of winning there, but the turmoil that would surround the House's choice was apt to disrupt the government. Rather than subject the nation to all the dangers that would involve, Perot said, he was swallowing ambition and bowing out now.

Diversifying his portfolio of excuses, Perot also presented himself as a victim of negative politics. Through friendly reporters he put out the message that he and his family had been extremely upset by a barrage of hostile news stories in June alleging that a paranoid, authoritarian Perot had hired detectives to spy on employees, rivals, tenants, and even his own children. Perot and his family had known intellectually that they'd be targets, the reports observed, but they hadn't been prepared for the ferocity of the process, and they just couldn't take any more of it. The presidency wasn't worth the degradation its pursuit was involving.

Not least, Perot tried to forestall criticism by refusing to rule out the possibility that he might resume his candidacy. This was nonsense—campaigns can't be turned on and off like water in a spigot. But by saying he might get back in, Perot was pressuring supporters to stifle their fury and say nice things about him in hopes of reviving his candidacy. He was also threatening supporters that if they did express their anger, they'd be the ones responsible for his candidacy's ultimate demise, not him. In short, Perot was trying to shift the blame for his betrayal onto his victims.

The gamesmanship fooled no one. Perot backers knew they'd been screwed and were mad as hell about it. In the immemorial manner of a victim of injustice, they proceeded to have a good, long, loud, public talk about the man and his behavior. According to a poll taken the night of the abdication, 56 percent of Perot's supporters felt betrayed. A Florida woman filed a class action against Perot for breach of contract. A street vendor in San Francisco was spitting mad at being left with $750 of "Ross Is Boss" T-shirts in inventory. In Phoenix a woman told the news cameras that the experience felt like a divorce.

Perot's perfidy teaches a lesson about politics in our time.

Perot, with his brilliant business success and outsider's status, was supposed to define an alternative to the usual Washington politics mired in made-for-media postures and the special interests they serve. Perot's pragmatic, can-do, take-charge, enterprise-building, value-creating skills were supposed to bring something new and revitalizing to the national political scene. In fact, however, the alternative Perot presented was empty. In the end, he was just another news celebrity bending in the breezes, cultivating fame and power by saying things he figured the media would cover and the people would like.

Perot's fatal flaw was that he defined and conducted his candidacy through the news media. Rather than going among the electorate, listening to them, talking with them, presenting himself for inspection, and finally winning them over in the time-honored manner of the constitutional politician, Perot went on talk shows to perform the role of the Celebrity Outsider. It was a decision that guaranteed that sooner or later his supporters would be disappointed. A media candidacy is no weapon for an attack on politics as usual.

Media politics is inherently a politics of government intervention and special privilege. It's driven by news stories depicting crises and scandals that require emergency action that can't be informed by—and couldn't stand up to the test of—full deliberation. Attention is fixed on the leader who unilaterally expresses the emotions, takes the actions, and embodies the virtues called for by events. Backstage, unnoticed by a distracted public, the media politician works quietly to turn to his or his constituent's advantage the fine print that governs the practical effects of the legislation or executive actions undertaken in response to front-page dangers.

Media politics is deceptive. It seems popular but is oligar-

chical. On the surface it is all about political topics reflecting societal needs. Beneath this surface, however, it's mostly about special interests creating or using the events to further themselves at the expense of the community. Media politics appears to be a source of political energy and cultural vitality, but in fact it functions as an engine of decline.

Not least, media politics is opportunistic. Since it operates in the framework not of values and issues and deliberation and legislation but of current events, it requires a politician or citizen to translate himself and his ideas into the language of news. He has to hitch his wagon to the star of a story and hope that, with as much help as he can give it, it gets him someplace he's happy to be. If not, he has to bail out and wait for another accessible story to come along. Media politics is a hit-or-miss proposition, full of false starts and sudden changes of course and periods of inactivity.

Perot's candidacy never got beyond the opportunism problem. Having gotten in the race because events made a winning run possible for him, he got out when events turned against him. Had he stayed in, however, the other problems would sooner or later have materialized. Ross Perot was a betrayal waiting to happen. It's probably just as well that it happened now, when national attention can focus on the lesson the Perot debacle teaches. The lesson is that the way out of the dishonest, exploitative, abusive politics that is wrecking America is to be found in candidacies that genuinely do what Perot's only pretended to—recover America's original liberal, constitutional ideals in ways that are consistent with those ideals, which include deliberation, persuasion, and personal participation in constitutional processes.

While it lasted, to be sure, Perot's candidacy was intriguing and sometimes attractive, not least for the dazzling innovations it brought to the presidential campaign process.

In presidential elections, the media politician campaigns by seeking favorable roles in media dramas, both the short, paid, prescriptive, self-made ones called commercials and the free, discursive, journalist-made ones called news. This is done by conceiving, scripting, and staging actions to enable the press to portray him—and the audience to treat him—as a hero. The hero of a media campaign story is a man or woman of the people, a candidate who takes the stands, embodies the virtues, utters the sentiments, and undertakes the actions that, amid the crises and alarums of the front page, satisfy the electorate and win elections. Media depictions of a candidate's popularity function as self-fulfilling prophecies. By showing the candidate looking good and winning people over to his cause, they invite more people to support him. Alternatively, when the news stories make the candidate look bad, they drive people away from him.

Normally, presidential candidates practice the art of media politics within the framework of the primary campaign. They take positions, raise money, electioneer, and interpret the voters' and party leaders' judgments with a view toward cutting an attractive and masterful figure in the news. The purpose is to gain votes and drive competitors from the field. It's a process that ends up making everyone look bad. Candidates' ideas and personal merits are ignored by journalists obsessed with the question of who's winning and losing. Front-runners are alternately idealized and roughly probed for faults. Losers are ridiculed and ignored. Everyone attacks everyone else, since the easiest way to make headway is to drive voters away from your competitors. The winners emerge only a little less soiled than the losers.

Ross Perot created a completely different way to be a presidential hero this year. As others ran the primary gauntlet and attracted the usual amount of news coverage, he stayed out of the process and went on TV talk and magazine shows as a celebrity. He wasn't running for president, he said. He was a businessman and wasn't exactly without things to do or money to enjoy. However, he said, he'd agree to be a candidate if "the people" wanted it. He thereby positioned himself to harvest the other candidates' negatives while escaping being saddled with any negatives himself. In the meantime, he was quietly funding a volunteer, nonpartisan draft-Perot movement so that about the time the party conventions were launching their nominees, he would emerge from his self-made noncampaign as a full-fledged national candidate with a proven popular base. He'd also enjoy several technical advantages—no taint of previous political associations, a platform tailored to the special circumstances of the fall campaign, maximum public interest in his positions, and of course the ability to buy any amount of television time to supplement or bypass normal electioneering.

It was a brilliant plan, and it came off almost without a hitch. Americans liked Perot a lot.

For one thing, we liked his astonishing accomplishments and winning qualities—the $3-billion fortune, the twangy, down-to-earth charm, the achievement of building a huge company with a good idea and a $1,000 incorporation, the heroic rescue of his employees from the Ayatollah's prison, the gutsy leadership on Texas school issues, the take-no-prisoners ambush of the corporate bureaucrats wrecking General Motors, the staunch opposition to the self-serving betrayals of the Bush administration and Congress.

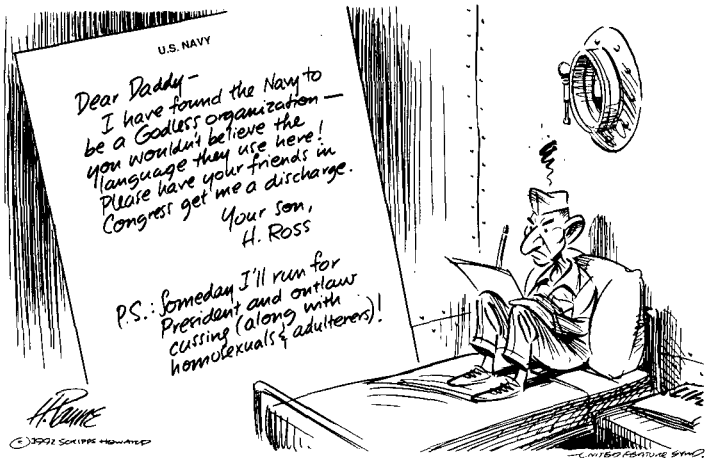
We also liked what we thought Perot could do for us. After two decades of economic decline under the supposedly best people applying the supposedly best ideas, Americans had had it with the usual presidential types and were ready to take a chance on someone different. Perot seemed to fit the bill. While much of America was slowly destroying itself, he'd been creating value on a fantastic scale. We hoped he'd do the same for us and piece together a strategy for making America as rich as he'd made himself and his employees.

Above all, we liked Perot because he'd been through what we'd been going through as a nation, and because he responded to and emerged from the experience in a way we could identify with easily.

Perot has spent a lifetime in an active love-hate relationship with big, established, powerful, American organizations. From his first job in the Navy through IBM, EDS, G.M., and Perot Systems, he's exhibited a recurrent pattern:

▷ First he idealizes the organization as the nurturer of his heroic destiny. For instance, dreams of military-style glory appear to have attracted the kid from Texarkana to the Naval Academy even though he never intended a naval career.

▷ Next Perot becomes horrified by the internal politics that thwart his plans and endanger his ascent. At IBM, he proposed the idea of offering programming services to the companies he was selling computers to, but Big Blue's bureaucracy couldn't be bothered.


U.S. NAVY
Dear Daddy—
I have found the Navy to be a Godless organization—you wouldn't believe the language they use here! Please have your friends in Congress get me a discharge.
Your son,
H. Ross
P.S.: Someday I'll run for President and outlaw cussing (along with homosexuals & adulterers)!

Given Perot's history, no one should have been surprised when he quit his campaign at the first sign of trouble.

▷ Angry and vindictive—after two years in the Navy, Ensign Perot denounced the service as "godless"—he quits to join or create a new organization in the image of his disappointed ideal. He succeeds beyond anyone's wildest expectations.

▷ Finally, longing to be vindicated by the big organizations he felt spurned by earlier, Perot returns to them or their people. At EDS, he hired a lot of ex-Marines and ex-Navy people, and he lavished his own selling efforts on the senior executives of the big IBM- and Navy-style organizations that were the bulk of EDS's clientele. With his charisma, Perot wins his way back into the hearts of these people. (G.M. chairman Roger Smith was sure, at first, that Perot was "a G.M. kind of guy.") The disfunctional politics disappear, and the organizations go on to bigger and better things.

It's a wonderful story. We wanted to be part of it.

As a nation, we are stuck just now in the scary early phase of Perot's myth. We would like to live happily ever after in the seemingly heroic, progressive, comfortable, secure world of large governmental, corporate, and educational institutions. But we're awakening to the fact that this destiny is evaporating before our eyes. The wonderful postwar world we've lived so agreeably with for so long is well on its way to disappearing amid a rising tide of aggressive, unprincipled, shortsighted selfishness that has turned our institutions into engines of decline. We identified with Perot because he went through what we're in the midst of and came out a winner without having to reconsider his postwar-era, big-organization ideals.

Perot enlivened this appealing talk-show persona and positioned himself as an outsider who would confront the politics of decline by borrowing a leaf from the conventional media politician and bad mouthing insiders at every imaginable televisual opportunity this year. One of the most frequent locutions in Perot's talk-show lexicon was the phrase *sound bite*. Usually he deployed it as a noun; sometimes it became an interesting, back-formed verb, as in "Bush is sound-biting that issue." In either form, the phrase was a sneering reference to the collaboration of politicians and journalists in reducing issues, positions, and personae to brief, colorful performances that can be reproduced as five- or 10-second (or one- or two-sentence) passages in news stories. Perot rightly denounced the practice as part of the politics of private advantage and public ruin.

Watching these performances, however, one quickly realized that Perot was himself a master of the sound-bite demagogy he pretended to be putting down. He showed a breathtaking ability to frame his thoughts in simple, colorful, memorable sentences. Perot rose to success this year mainly on the strength of a sparkling talent for political sound bites putting down sound-bite politics.

In this, Perot was no unwilling victim of a mindless press. To the contrary, he obviously liked speaking at sound-bite length. On many occasions this spring he passed up opportunities to address issues in as much detail as he wanted. During an interview with *Fortune* magazine, he was asked, "How do you feel about the federal government? Is it too big in absolute terms? Ought it to be smaller? Is it maybe involved in aspects of American life where it has no business being? Or is it maybe not involved enough in other areas where it ought to be?" Replied the man who spent the spring ridiculing sound-bite politics: "Interesting question. Never thought about it. Have to think about it."

Many of Perot's sound bites, like this one, had a hostile and condescending ring. This was no happy warrior, trilling encouragingly that the only thing we have to fear is fear itself or heroically summoning his countrymen to their destiny as a great society. Perot presented himself this year as an ungenerous little man in a permanent snit. His one-liners railed and sneered and put people down. The prime targets were the press and George Bush, but no one escaped undiminished. Perot's volunteers were "locusts moving across a wheat field." National problems were personalized and scapegoated.

This, for instance, is how Perot was discussing the merits of the Desert Storm war this spring: "We did recover Kuwait for the emir, but he ran like a rabbit when the war started, he never touched it while it was dirty, and he would not come back in his own country until enlisted men from ordinary homes all over the United States cleaned up his palace and reinstalled his gold faucet fixtures." (Substitute the name "Perot" for "emir" and you have a description eerily reminiscent of Perot's behavior once the attack politics began in June.)

Perot continued, "Now, let me say this. If I'm ever running the store, and you see American enlisted men rebuilding a palace for an emir, you know, just have me

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shot and call it a mercy killing. I mean, I've lost it. I've lost it. Seriously. Seriously."

Perot was also a severe if conventional critic of Washington's isolation, of what he called the "bubble" separating policy makers from ordinary people. Part of the bubble, he said, is the "best-kept secret in America, 1,200 private jets worth $2 billion, flying government officials around. These folks are our servants. They're flying around like royalty. What are they in such a hurry about? Why can't they fly and act like we do? OK, go to the airport, get in line, lose your luggage, eat a bad meal, have a taste of reality. Now this is important." But not so important that Perot, who gets around in his personal jet, gave himself a taste of airline reality, or acknowledged the hypocrisy of attacking officials in Washington for using the same method of transportation he himself was using.

Perot addressed his personalizing-scapegoating rhetoric to social and economic problems of all sorts. In Ross Perot's America, he declared confidently, "Everyone works," as if there would be no business cycle and no structural change, as if all those without jobs today were unemployed as a result of having chosen a life of indolence and parasitism. Moreover, in Ross Perot's America, he explained on the Larry King show, there would be "a strong family unit...a great mom and dad in every home." With that "we [would] wipe out most of our problems right there"—as if weak or broken families were weak or broken as a matter of preference, or as if a Perot administration could count on being able to restructure and reprogram the large majority of American households that aren't patterned on the Ozzie-and-Harriet model.

Hypocritical and demagogic though it was, Perot's precandidacy worked brilliantly—for a while. As Democrats and Republicans savaged one another in the primaries, he attracted a vast amount of favorable attention and soon surpassed Bush and Clinton. No sooner had he become No. 1, however, than his candidacy collapsed. For it quickly turned out that Perot hadn't thought through, and didn't have a way to deal with, the problems that would flow from political success. In particular, he didn't have a strategy for neutralizing the counterattacks that his opponents were bound to mount against him.

Once Perot became the front-runner in the polls, it was inevitable that the free ride he'd received outside the normal campaign framework would come to an end and that he'd find himself on the receiving end of the same kind of attack politics and negative journalism he'd directed at his opponents. In June the big guns of the Bush and Clinton forces wheeled to begin targeting Perot. With *The New York Times* taking the lead in rushing to disclose Perot's failings and misdeeds, the effect was immediate and devastating. From the roughly 40 percent support figure he registered in the polls around Memorial Day, Perot plummeted to roughly 10 percent in a month and a half.

The problem wasn't just that Perot was losing a lot of ground fast; candidates have come back from 20- or 30-point summertime deficits. The real problem was that the negative news opened a wound in the Achilles heel of the Perot candidacy—its shallow motivation.

For most of the men and women who run for president, the campaign is a high point in careers whose overriding objective is to rise toward the White House. These candidates naturally give the effort everything they've got, win or lose. For Perot, by contrast, running for president wasn't the culmination of a lifetime of longing preparation. It was a look-see at an intriguing potential deal that happened to come his way. If it worked out, fine; if not, fine, too—there was nothing riding on the run except the few months and (for him) paltry sum he'd put into checking the opportunity out.

Perot, in short, approached the presidency opportunistically. For him, the reason to run was that he could win. If victory became less likely, or if the contest also began to impose costs he found onerous, Perot's motive for making the campaign disappeared. The June attack-politics barrage was designed to exploit this fact. By both dimming his chances of winning and raising the costs of running, the bad-news barrage eliminated Perot's motive to run. It didn't just weaken his candidacy, it vaporized it.

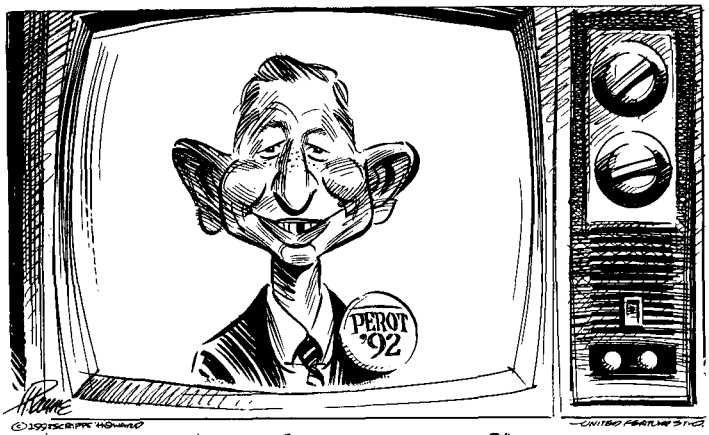
Perot didn't anticipate or protect himself against the Bush-Clinton counterattack because, in the classic manner of the media politician, he's always had a blind spot when it comes to his own relationship to the nasty, aggressive, self-serving side of politics. In the Perot myth, he's a man who instinctively rebels against the dysfunctional politics of large organizations and eventually returns to quell these forces by dint of sheer charm and brilliance. But like all myths, this one is part exemplary truth, part useful lie.

The true part is Perot's revulsion against shortsighted, harmful, exploitative, personal/organizational politics—the undeserved firing, the cynical subservience to a rule-flouting boss, the dismissal of an idea that was Not Invented Here, the witting creation of shoddy products, the campaign for protection against better products made at lower cost. Most of us have seen such behavior up close and personal and let it pass. Perot is different. He doesn't let it pass. He gets mad, speaks out, and doesn't let go.

The false part of the Perot myth is the part at the end in which, having achieved success as an entrepreneur, Perot returns to the world of the big organization, makes the politics vanish, gets things back on track, and wins everyone's admiration. In fact, Perot's encounters with big organizations and the swirling machinations of interest groups have usually taken place on their terms, not his. The encounters have almost always entailed personal and pecuniary benefits to Perot—a better job, a big new client, a huge piece of income, a dashing part in the daily drama of the media, etc. The underlying relationship between Perot and organized interests has usually been the relationship typical of media politics—mutual back scratching under a cover story of confrontation and triumph by the forces of public good over the forces of organized selfishness. Consider the way Perot's 1984 merger with General Motors worked out.

EDS, a $1-billion-a-year computer services company looking to keep on growing fast, was seeking G.M.'s computer

business, which was worth as much as $2 billion or $3 billion a year. G.M.'s Roger Smith was attracted to EDS not just by the efficiencies it could effect in his car business, but by the contributions EDS could make to G.M.'s growth and corporate culture as a permanent part of the firm. Smith made an offer: EDS could have the entire G.M. account, instantly tripling its sales, and in return it would merge with General Motors. G.M. would pay $2.5 billion in cash, or over 30 times earnings. Perot's share: $1.4 billion. Perot also would get a seat on the board and have a free hand in running EDS, and the EDS management team would get millions of new EDS-series G.M. common shares with guarantees of a price equal to twice the 1984 market value, giving Perot alone a value of $750 million after seven years. Perot said yes.



"ISSUES? WHAT—ME WORRY?"

Media politics is the ultimate exercise in insiderdom. Nothing about the process or people is innocent.

Within months, Perot and Smith were at war. Perot, at board meetings, was openly criticizing G.M.'s style and products and urging a more competitive approach. Smith was incensed that Perot and other EDS executives were being paid more than he was. There was unpleasantness in Dallas when Perot refused access to EDS's books to a team of G.M. auditors sent by Smith to conduct an independent audit. G.M. divisional managements, which wrote the checks for EDS's services, were up in arms over the high, cost-plus pricing called for in the contract. They were further enraged when EDS refused to temporarily lower prices amid a company-wide belt-tightening drive under which G.M. renegotiated the prices it paid most suppliers.

Within two years Perot and his top people were out.

It was an outcome anyone with even an inkling of the people and institutions involved could have foreseen from the outset. G.M., as the owner and biggest customer, was going to be in control regardless of anything Smith may have told Perot about having a free hand and helping shake up an ossified megacorporation. Perot, aggressive and arrogant, was bound to step on toes. A deadly explosion, with Perot the victim because G.M. was in control, was inevitable.

Smith may have anticipated or even desired this outcome. For G.M., EDS was the main attraction, Perot just part of the price of admission. Getting G.M. and EDS together in a way that paved the way to Perot's departure may have been, or quickly become, Smith's intention.

It clearly wasn't Perot's intention. Perot didn't anticipate the explosion. As one used to positive-sum deals with big organizations, he expected that as founder and chief executive of EDS he could take a ride on the corporate tiger and not end up just another high-ranking bureaucrat inside. He didn't anticipate or understand the powerful forces he'd be up against. He had no strategy for dealing with them when they materialized. He was blown away by the first big storm to come along.

The deal was a good one for G.M., which rationalized its computer operations and got a fast-growing, high-tech subsidiary. It worked well for EDS, which got vigorous sales growth; today EDS is 10 times bigger than it was pre-G.M. For Perot, by contrast, the deal was a disaster. He lost his job, had no impact on G.M., and got nowhere in the race to succeed Smith. Six years later he's still looking for work and doing almost nothing with the money. Perot lives modestly for a billionaire. He has $2.7 billion parked in T-bills and equivalents, which is a modern version of stuffing it in a mattress.

Thus the book on Perot reads as follows: brilliant salesman, fertile conceiver of new enterprises, intrepid leader, specializing in deals with big, powerful, political institutions that leave him rich and famous, sometimes at the expense of his closest associates, amid much populist posturing.

Perot's weakness for the politics he puts down in others and practices himself was intensified by his reliance on the news media and television.

A media politician contains a large contradiction. On the one hand, he must have a talent for presenting himself as a bold leader who responds heroically to pressing dangers. He must be full of convincing talk about high ideals and steadfast devotion to the community. On the other hand, he must also be effective working backstage and conniving with others to analyze, plan, script, and stage opportunistic public acts and news stories that create occasions for delivering the private privileges that crisis news events occasion and camouflage.

Campaigning as an outsider through the media-politics medium only intensifies the contradiction. Media politics is the ultimate exercise in insiderdom. Nothing about the process or people is innocent. It is a politics of maneuver and hypocrisy and performance, and since the news media don't cover outsiders, it can only be played on the inside.

Thus the media-based outsider is always playing a disingenuous role. He or she mounts a critique of privilege and oligarchy in the name of ordinary people and liberal ideals of freedom, equal rights, limited government, rule of law, and the centrality of the individual. But the medium through which this politics is expressed, oriented as it is to activating illiberal, nonconstitutional emergency powers of government, is al-

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ways at odds with the message it conveys.

The fact that Ross Perot chose to mount a media candidacy meant he wasn't serious about, and would inevitably betray, the classical-liberal themes he touched on. An outsider candidacy that went public the hard and real way, by organizing and responding to the views of people at the grass roots and forging them into a political movement, might well have succeeded, especially if Perot had stayed with it and invested the time, talent, and money he had available. This is the classic way of making outsiders matter again in a democracy.

Perot valued personality over positions, leadership over principles. Would American voters have made the same choice?

The outsider *media* candidacy, by contrast, essentially feigns opposition to the welfare state from within. Jimmy Carter, the last successful practioner of the genre, demonstrated the pattern, running on Southern charm and modesty and against Washington, then appointing Naderites to the regulatory agencies once he was in the White House. Perot, with his studied lack of specific positions on issues and quiet but persistent flirtation with protectionism and industrial policy, was well on the way to reenacting the Carter formula by the time he dropped out.

Had Perot stayed in and given it his all, he might very well have won. The techniques of the outsider media candidacy are powerful and proven. Perot was a clever and ambitious fellow with unlimited funds. Had he kept on responding to the attacks, counterattacking, and sounding his own positive themes in the massive way his money made possible, he might very well have regained the lead. Attacks by Bush and Clinton on Perot's fuzziness on the issues, though perfectly legitimate, would have gone nowhere or boomeranged, since their own prior fuzziness and lack of principle formed the background against which Perot came to look like a plausible alternative in the first place.

The only thing sure to have stopped a Perot-style candidacy would have been something only a true outsider could have supplied—leadership in helping Americans turn away from the media-candidate myth that common sense and charisma are enough, and in embracing the fundamental lesson of politics in our time: that what is left open and flexible by a pragmatic posture ends up being co-opted and turned to private ends at the expense of the common good, and that the cure for what ails America is a return to a politics based on the classical-liberal principles and constitutional ideals on which the country was founded.

In our time, people have accomplished real and valuable things in public life only the old-fashioned way: by being committed to the projects and the principles underlying them, by taking risks for their sake, by running on them unapologetically, by giving the electorate a clear choice and a corresponding opportunity to establish meaningful directions. The great recent example was Ronald Reagan, who got committed to conservative ideas of anticommunist foreign policy and tax cuts long before they were popular, campaigned for them even at the cost of losing, stuck with them in adversity, and then had the extraordinary pleasure of seeing the nation slowly but massively come around to his own way of thinking. Reagan was far from perfect, but in office he did accomplish the two big things he'd been pushing for all his political career. He thereby demonstrated the crucial difference between a media politician—that is, one who is defined by the evanescent myth of news—and a politician who uses the media process but avoids being co-opted because he's defined by his own values and independent organization.

Because Reagan stood for something positive, however unpersuaded some of us may have been about the substance of some of his positions, he didn't need to be negative. Reagan was unique among recent public figures for his unruffled good nature. Liberal Pat Schroeder once called him in frustration a Teflon president because others' charges and his own failures didn't seem to stick to him. What was protecting him wasn't Teflon, however. It was just the man's natural decency standing out in sharp contrast to the industrial-strength nastiness of public figures in a media-drenched age.

Reagan didn't need to diminish others because he meant to accomplish something positive. He was able to believe the best of people, not merely because he was himself a nice man, but because he was so devoted to his cause that he never gave up on the possibility of winning others over to it. His only real failing was in caring about so few things on his own, and in imagining that the lack of a coherent philosophy disciplining the practical inside politics he undertook in their behalf wasn't a weakness.

Thus the ultimate lesson of Perot's humiliating collapse is the same as that taught by Ronald Reagan's limited, now-fading successes: that in the real world, classical-liberal constitutional principles are highly practical. It's modern pragmatism and the institutions associated with it that don't work.

Contributing Editor Paul H. Weaver is a research fellow at the Hoover Institution. His forthcoming book is News and the Culture of Lying, *to be published in 1993 by The Free Press.*

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PACKAGE DEAL

BY JOHN HOOD

YOU'LL GET MORE THAN JUST HILLARY IF YOU VOTE FOR BILL.

"If you vote for him, you get me," Hillary Clinton says of her husband. Actually, you get an even bigger package deal. A vote for president is really a vote for a policy-making team, though on Election Day most voters recognize only the quarterback. Later on, we get to meet the players receiving the ball and blocking for the runners. In 1960, Americans in effect voted for Robert McNamara, Sargent Shriver, and Bill Moyers. In 1976, we put Bert Lance, Charles Shultze, and Jody Powell in office. In 1980, we picked Ed Meese, Michael Deaver, and Jim Baker. In 1988, we voted for, well, Jim Baker again.

Now Bill Clinton wants to call the plays. His opponents and the press have focused some attention on his supposedly moderate playbook of policy prescriptions—most recently, his economic plan *Putting People First.* But it's the makeup of his team, more than his own stump speeches and white papers, that signals his true intentions.

In marked contrast to Jimmy Carter, Clinton will not bring a legion of second stringers from his home state to make federal policy. Clinton's networks among Democratic policy nerds are strong and varied, as are his ties to the Democratic establishment in statehouses and city halls across the country. Bill and Hillary Clinton have "the world's largest mental Rolodex," Clinton adviser Mickey Kantor says.

Indeed, at no time since 1960 have the "best and brightest" of the Democratic intelligentsia had such a good chance to get federal jobs. Like John F. Kennedy, Clinton considers himself an intellectual. He's comfortable with professors and think tank presidents. For all his posturing as an outsider, Clinton finds some of his strongest support among Washington insiders and Ivy League professors. They held their breath during the early presidential primaries, when Clinton was trying to live down the other aspects of his lifelong Kennedy imitation. Now, with the Democratic nomination in the bag, they've moved one step closer to real power.

Like the young, ambitious experts who filled the ranks of the Kennedy administration in 1961, Clinton's advisers and fellow travelers can't wait to demonstrate their acumen and superior wisdom. They've chafed under 12 years of governance by Republican presidents they considered hopelessly befuddled and an inept Democratic Congress they viewed with suspicion and scorn—just as their predecessors did during the eight years of the Eisenhower presidency that preceded Kennedy.

Clinton also has, as Kennedy did, many friends and allies in the press corps. *Time* Editor at Large Strobe Talbott, a friend of Clinton's since they attended Oxford together, has defended him vociferously. *New York Times* columnist and former Carter official Leslie Gelb wrote a book with Clinton's foreign-policy adviser in 1985 and touts Clinton's views today. Other neoliberals, such as Joe Klein of *Newsweek*, and paleoliberals, such as columnist Bob Kuttner, were early swooners at the Clinton altar. If the Arkansas governor wins, look for the "revolving door" between press and politics to spin quite a bit.

One innovation in Washington policy making since the Kennedy days is the all-purpose, politically connected think tank, an institution developed to near perfection by Reaganite conservatives. In reaction, Democratic policy experts and Carter administration refugees have created think tanks of their own: the Progressive Policy Institute, the Economic Policy Institute, and Citizens for Tax Justice, all of which

MARC MICHELON

would play key domestic-policy roles in a Clinton presidency.

As an organization, PPI would be the most influential by far. It was created in 1989 by the Democratic Leadership Council, of which Clinton was then chairman, and has served as the idea factory for the party's "moderate" wing ever since. Its president, Will Marshall, is a close Clinton aide. Vice President Robert Shapiro, formerly economic-policy director for the Dukakis-Bentsen campaign, and senior fellow David Osborne, author of the much-discussed book *Reinventing Government*, are also frequent advisers to the Clinton campaign. Many of Clinton's slogans and proposals are cribbed from Progressive Policy Institute publications.

A self-styled "postliberal" organization, PPI is dedicated to the proposition that government can work but needs to work more efficiently. PPI champions an "entrepreneurial" vision of both the public and private sector, emphasizing incentives and economic growth while adhering to a liberal regulatory agenda. It supports income redistribution but emphasizes the middle class rather than the poor. Clinton's rhetoric of "responsibility" and talk of workfare and public-service jobs tied to college loans derives from PPI.

The Clinton campaign also draws from union-backed EPI, a more traditionally liberal organization that has bashed deregulation, blamed state and local budget problems on low taxes, and defended strident unionism on economic grounds. Clinton often uses data from EPI studies on labor markets and education to back up his positions.

Robert Reich, an old friend who advises Clinton on economic and trade matters, helped found the Economic Policy Institute. But Reich, who advocates "positive economic nationalism," is as much a representative of Harvard, where he teaches political economy at the Kennedy School of Government, as he is of the institute.

David Wilhelm, former executive director of Citizens for Tax Justice, works full-time for the Clinton campaign as campaign manager (a less exalted position than the title implies). Because Citizens for Tax Justice exists to advocate a more-progressive tax system, it lacks the broad policy base and academic credibility of PPI and EPI.

From the ranks of business, Clinton advisers include college friends Ira Magaziner, a Rhode Island consultant and prominent supporter of industrial policy; Roger Altman, an investment banker and former Carter Treasury official, who has criticized the Democratic party for not emphasizing economic growth and productivity; and Robert Rubin, co-chairman of Goldman, Sachs and Co., who helped Clinton draft *Putting People First* and is particularly interested in improving the nation's infrastructure.

TAKEN AS A WHOLE, BILL CLINTON'S TRADE-POLICY PROPOSALS ARE THINLY VEILED EFFORTS TO PANDER TO CRUDE RESENTMENT OF FOREIGNERS AND OF MULTINATIONAL CORPORATIONS.

From his PPI advisers, notably Shapiro, Clinton gets a traditional Democratic platform with a middle-class twist: soaking the rich in the name of "tax fairness" to the middle class. In a 1991 paper, "Bearing Fair Burdens: A Progressive Tax Agenda for Equity and Growth," Shapiro proposed raising the income-tax rate on households making more than $150,000 in taxable income while reducing slightly the rates on middle-class taxpayers. Clinton's economic manifesto proposes exactly that—hiking the top income-tax rate to 36 percent and giving middle-class families a choice of either a small rate reduction or a tax credit for each dependent child.

Tax fairness is, however, all in the eye of the beholder. Liberals argue that during the 1980s the share of income wealthy Americans paid to the feds in income tax fell. Conservatives answer that the share of the total tax bill shouldered by the wealthy increased. Both are sort of right, but to Shapiro the disagreement is not relevant.

"I don't think that either of those measures capture the issue of fairness," he says. "Fairness is an impression or a sensibility. It's not a technical issue." Shapiro blames much of the fairness problem on the increased burden that Social Security payroll taxes have placed on low- and middle-in-

come workers but says that changing these taxes is not politically feasible. Instead, he would shift income-tax brackets.

Shapiro concedes that supply-siders were right about one thing: Low tax rates achieved by broadening the tax base are better for the economy than higher, targeted ones. His proposals, says his PPI paper, "recognize that the economic decisions arrived at through markets usually produce better economic results than those made by politicians and policymakers." He notes that his higher top rate would still be substantially less than the 50-percent rate supply-siders first achieved and praised in 1981 as a path-breaking reform.

That's true, but a bit defensive. If extremely punitive taxes on rich people punish the economy with distortions and lowered productivity, moderately punitive taxes on the rich will also punish the economy, only not so much. In other words, reducing the top rate from 70 percent to 50 percent in 1981 was worth cheering about. Raising the rate now is not.

In the 1980 campaign, Republicans chanted "marginal tax rates" like a mantra. This time around, Clinton's team puts their trust in their own magic word: *investment.*

Clinton's plan, writes former Carter Treasury official Altman in *The Wall Street Journal*, "defines investment the right way: activities that raise the national stock of human, technological and physical capital. For Gov. Clinton, the three priorities are to upgrade the education and skills of our work force; to raise the investment and R&D share of gross domestic product; and to restore a globally competitive, national infrastructure."

The investment emphasis neatly meshes with Shapiro's other major project that became a Clinton plank: reorganizing the budget. Payments to old people, such as Social Security and Medicare, and insurance obligations, such as the S&L cleanup, would be considered "past" obligations, largely off limits to budget cutting or trust-fund raids. Cuts would occur in "present" programs, such as spending for defense, criminal justice, and welfare. A Clinton administration would spend more on "investments" in the "future"—education, training, infrastructure, children's programs, etc. This sounds like a reasonable way to organize the budget, but in practice it's merely a device to make pet programs into "investments"—and thus inviolate.

In fact, Clinton's proposed budget includes only a few fainthearted attempts to cut spending, mainly by better management. Like the Bush and Reagan administrations, Clinton's economic advisers expect to grow their way out of the problem thanks to, you guessed it, investment. "Logic and evidence suggest a major growth dividend from Clinton's investment strategy," writes Altman in his column defending Clinton's economic program.

Beyond the financial finagling, however, is a coherent if fallacious economic strategy developed by Harvard's Reich, who has known Clinton since they both attended Oxford in the late 1960s. In *The Work of Nations: Preparing Ourselves for 21st Century Capitalism*, Reich argues that in an era of international competition, "human capital" is the most important factor in national success, at least among developed countries. It is just too easy nowadays to move money and plants; only people are relatively immobile.

"All that is left of the American economy is a collection of people and their collective will—and collective wallets—to make themselves more productive," he said in a recent interview. "Government's role is to ensure that people's skills and insights are as developed as possible." Hence, investment.

To that end, the centerpiece of Bill Clinton's economic program is a $50-billion increase in federal "investment" in education and infrastructure. Of that amount, Clinton would devote $20 billion to a "Rebuild America Fund" that would pay for highway and high-speed rail construction, information and environmental technology, and a host of other government infrastructure projects. The remainder would represent new federal spending on all levels of education—from Head Start to continuing education. Another Clinton proposal is a kind of "pay or play" law mandating that U.S. employers either provide training programs to their workers or pay a tax to the federal government to fund federal training programs.

Reich and other Clinton economic advisers defend this massive increase in federal spending on the grounds that America's "investment budget" is shrinking. They tend to express every fiscal fact as a share of gross national product. Reich contends that infrastructure spending dropped from 1.14 percent of GNP in 1980 to 0.75 percent in 1990, that education spending dropped from 0.51 percent of GNP to 0.37 percent, and that nondefense research and development spending dropped from 0.42 percent to 0.31 percent. The list goes on.

Here is where the Clinton team's explanation for both our budget and economic problems starts to unravel. Expressing spending categories as shares of GNP is sometimes appropriate, but it's a roundabout way of measuring governmental effort. It also obscures the actual record. Spending on all these areas went up in real dollars per capita in the 1980s, during a period in which the economy—measured by GNP—grew by leaps and bounds (from a recession-trough year of 1980 to a recession-brink year of 1990).

Federal outlays for nondefense capital investment increased by 50 percent in real dollars during the 1980s. Federal grants for infrastructure to states and localities went down slightly, but state governments more than made up for that with their own huge spending increases. Billions of tax dollars went into rat holes such as mass transit, needlessly ornate waste-treatment facilities, rural development projects, and other ideas that sound nifty in campaign position papers.

Education is another area where Reich's analysis clashes dramatically with reality. He complains that the federal share of total school spending decreased during the 1980s; but his source is an EPI study that ranked the United States low relative to other countries in the share of GNP devoted to K-12 education. Again, the actual numbers paint a different picture. Total spending per pupil on American primary and secondary education increased by about a third during the 1980s. The United

States spends more actual dollars per student on schools than virtually every country on earth, certainly more than the Asian countries whose pupils perform so much better than ours on achievement tests. And preschool programs, regarded as a silver bullet for educational and economic problems by Reich and so many others, are themselves rather costly and rarely live up to their advance billing. (See "Children's Crusade," June.)

For all their pretension of being "centrists" or "neoliberals," Reich and other Clinton advisers ignore the crucial issue of government productivity. Despite Clinton's "reinventing government" rhetoric, borrowed from PPI scholar Osborne, his economic program implicitly assumes a direct relationship between dollars spent and services rendered. "George Bush says we have more will than wallet, but that's obviously untrue," Reich says.

But the real problem with government efforts to upgrade infrastructure has been cost, not lack of funding. "We have the capacity tomorrow to vastly increase the number of roads, bridges, and other infrastructure if we want to—just repeal the Davis-Bacon Act," says Stephen Moore, director of fiscal-policy studies for the Cato Institute. Davis-Bacon quires contractors on federal projects to pay union wages. That adds about 30 percent to the cost of those federal projects, Moore says. Minority set-aside and quota laws add another 10 percent to the cost, while "Buy American" provisions add 5 percent more. Privatization, which Reich thinks has already gone too far, offers further cost-reduction possibilities—and money for private investment in new construction.

Similarly, America's already huge investment in education could better be spent by providing the money directly to parents to fund competing schools, especially private schools, which provide better education at lower cost than public schools. But Clinton strenuously opposes such a system and enjoys the strong backing of the National Education Association, the main barrier to productivity gains of all sorts in American education. A real reformer would first figure out how best to spend the vast sums we already "invest," rather than simply shelling out more. Reich isn't one, and neither is Clinton.

THE INVESTMENT-INFATUATED CLINTON CAMPAIGN SHOWS LITTLE UNDERSTANDING OF HOW REAL INVESTMENT WORKS. IN THE PRIVATE SECTOR, THE RULE ISN'T, "INVEST IN ANY AND EVERY PROJECT."

What's more, the investment-infatuated Clinton campaign shows little understanding of how real investment works. In the private sector, the rule isn't, "Invest in any and every project. The more investment the better." Rather, any business that wants to stay in business scrutinizes investment opportunities, comparing alternative payoffs—and deciding whether it's better to reinvest profits or to pay them out to owners to invest elsewhere. In the public sector, a real investment strategy would consider just that alternative: letting the taxpayers decide how they would like to spend their money.

Reich at least recognizes what actions could help the economy—improving education—and what actions, such as protectionism, could hurt it. In *The Work of Nations* he contrasts his vision of "positive economic nationalism" with traditional "zero-sum nationalism."

In his program, he writes, "the overarching goal is to enhance global welfare rather than to advance one nation's well-being by reducing another's. There is not a fixed amount of world profit to be divided or a limited market to be shared. It is not 'their' corporations against 'ours' in a fight for dominance of world commerce....Thus positive economic nationalism would eschew trade barriers against the products of any work force as well as obstacles to the movement of money and ideas across borders. Even were such obstacles enforceable, they would only serve to reduce the capacity of each nation's work force to enjoy the fruits of investment made in them, and in others." Reich's famous chapter "Who Is Us" suggests that "we" are American workers and that foreign investment benefits "us."

The Clinton program, however, takes exactly the opposite approach. In *Putting People First*, Clinton indulges his trade-hawk advisers with attacks on American investment overseas and for-

eign investment here. He would repeal an existing tax deferral for income received and reinvested overseas by foreign subsidiaries of U.S. companies. He would also increase taxes on foreign firms who invest in American plants and facilities. These measures are supposed to prevent American firms from exporting jobs and foreign firms from avoiding taxation. Other proposals, such as ending a tax deduction for and tightening rules on "special interest lobbying," are pure blather.

Taken as a whole, Clinton's trade-policy proposals are thinly veiled efforts to pander to crude resentment of foreigners and of multinational corporations. "The increased taxation [Clinton] proposes would deprive us of foreign capital and result in less growth in productivity and real wages," writes economist Paul Craig Roberts in *The Wall Street Journal.*

The primary source of this zero-sum nationalism appears to be Ira Magaziner, a consultant who seems to identify more with corporate clients than, like Reich, with American workers. Magaziner favors an energetic U.S. industrial policy to subsidize or even create companies to compete with foreign firms. In his book *The Silent War,* he correctly dings executives at large American corporations for complacency and provides numerous case studies of the successes and failures of companies around the world who seek foreign markets. Rather than support corporate takeovers to rid companies of less-than-stellar managers, however, he wants the federal government to play an active role in devising business strategies.

But you'd never know by reading Magaziner that our overall competitiveness is improving, that U.S. export businesses are booming, that American manufacturing productivity is higher than that of most competitor nations, and that entrepreneurs at small American firms have been meeting the global trade challenge for a decade. Given these facts, Magaziner's call for "American companies to get the kind of help from the U.S. government that virtually every other nation gives its business" takes on a new and ominous meaning.

Other signs of danger to free trade in a potential Clinton administration include Clinton's plan to set up an Economic Security Council in the White House, which would operate in a similar manner to the current National Security Council. Clinton's ESC—made up of Cabinet secretaries, economists, and other advisers—would monitor trade patterns and advise the president on ways to improve competitiveness (read: protect domestic firms). And while Clinton claims to support the North American Free Trade Agreement with Mexico, he has called on Mexico to dramatically increase wages, workplace regulation, and environmental standards and he has given tentative support to Rep. Dick Gephardt's plan to tie new tariffs to the pact.

Furthermore, Derek Shearer, a Clinton adviser and public-policy professor at Occidental College, has told *The Washington Post* that Clinton would formulate a "Japan policy" to deal with what Shearer called the "special case of the Japanese." He added, "We also have to look seriously at the question: How important is it to the United States to preserve a viable auto industry?"

Coming from Magaziner, that would be a call for protectionism. Coming from Shearer, formerly the theoretician behind Tom Hayden's Campaign for Economic Democracy, it could suggest direct government equity investment, socialism with a probusiness face. After all, this self-styled economic democrat once wrote, "Socialism has a bad name in America, and no amount of wishful thinking on the part of the left is going to change that in our lifetimes....The words Economic Democracy are an adequate and effective replacement."

A domestic team that includes socialist wannabes, moderate technocrats, corporatist consultants, worker advocates, and the hovering presence of various special-interest groups (notably labor unions and environmentalists) is unlikely to stick to the same playbook. Coach Clinton, however, is better suited than most to keep the team together.

Most Southern governors, including Clinton, are "weak"—a reference not to their character but to their constitutional status. In the South, legislatures dominate and the key to gubernatorial success is conciliation (something markedly absent from Jimmy Carter's single term as Georgia's chief executive). Clinton, who has served 12 years as Arkansas's governor, is the ultimate schmoozer and conciliator. Rather than choose sides, he attempts to head off or finesse disagreements.

Clinton's powers of persuasion have already helped his campaign muddle through passionate disputes about campaign tactics. In May, four Clinton staffers threatened to resign after a poll to be conducted by Stan Greenberg was nixed by Susan Thomases, a Washington consultant and friend of Hillary's. The poll was only the symbol of a campaign rift. Greenberg's camp favored a campaign focus on wooing middle-class, suburban voters back to the Democrats while Thomases's camp favored a major play for the party's left-wing base. Clinton avoided resignations all around by taking some ideas from each side. That's the sort of something-for-everyone compromising we can expect in a Clinton administration.

Unfortunately, the only set of ideas to counterbalance Clinton's scary industrial-policy fixation involve "tax fairness" (hike tax rates), "investment" (hike spending), and "budget reform" (hike the deficit). When we examine the writings and musings of Shapiro, Reich, Magaziner, Shearer, Altman, and other Clinton advisers, the dimensions and principles of Clintonomics become clear: The 1980s tax cuts and deregulation efforts were a failure. Education, training, and infrastructure spending was cut during the decade and must be drastically increased now. Better-trained employees of subsidized, protected foreign firms are outproducing American workers. Business managers are too incompetent to make strategic choices and must be guided by the federal government.

To invert candidate Ronald Reagan's famous maxim, the best way to sum up these ideas seems to be: "The federal government is too small and it taxes too little." That's some guiding principle for Bill Clinton, postliberal "moderate Democrat," to embrace. ■

Contributing Editor John Hood is editor of Carolina Journal *and a columnist for* Spectator *magazine in Raleigh.*

ARMS WI

WHAT TO BUY AND WHY

FLEXIBLE DEFENSE

By James S. Robbins

The United States' strategic goals during the Cold War were reactive; the containment of communism was the primary goal. But the retreat of communism allows the United States to pursue more-active goals, reflected in three basic strategic priorities:

1) Maintaining stability by making aggressive war difficult for states to pursue profitably;

2) Preserving the freedom of commerce through open sea lanes, open skies, and open borders where possible; and

3) Preserving and extending liberal democracy and opposing the extension of political repression.

An underlying assumption of these goals is that liberal states, of varying complexions, are generally peaceful and don't pursue aggressive military policies. The people of such states recognize that commerce, not coercion, is a preferable method of intercourse. Were the international system composed only of liberal states, armed conflict wouldn't be a significant issue. However, not all states are liberal democracies, and most don't share classical-liberal assumptions, values, or principles. It is the illiberal states which pose future threats to the United States and to the free world and which must be deterred or fought and, in time liberalized.

The United States should not intervene militarily in all conflicts. Nor should it rule out intervention in any conflict. Rather, we should judge intervention by U.S. interests. If American interests are threatened directly, through a possible armed attack on the American homeland, threat to citizens or property abroad, or similar circumstances, intervention (proportional to the threat) is mandatory. If the threat is indirect, the United States may (not must) intervene if:

1) U.S. action will promote the cause of freedom; and

2) U.S. action is militarily and politically feasible.

The feasibility test is an important check. For example, the United States won't invade China to impose democracy primarily because it has no chance of succeeding. On the other hand, the United States shouldn't intervene in a country even when militarily feasible with the intention of overthrowing its government simply because it is an illiberal state. While such action may be militarily feasible, in most cases it would not meet with international approval. Furthermore, there is more to democratization than simply overthrowing a dictatorship, and rash action by the United States could do more harm than good in the long run. The United States isn't committed to freeing every oppressed people, certainly not unilaterally.

The United States is now the world's dominant military power. This isn't because American force levels have increased; in fact, they have decreased since 1989. But the collapse of the Soviet Union has shifted the correlation of forces toward the United States. Because of this, the United States can reduce the size of its military establishment while still maintaining its dominant position.

Disarmament is only practical to a point. The Soviet Union is no longer a threat, but other dangers are emerging, such as the growth of regional powers in the developing world, increased problems of nationalism and ethnic strife, the proliferation of missile technology and weapons of mass destruction, and the continuing inclination of dictators to attack their neighbors. Radical disarmament may create an environment in which such threats develop more quickly. Our strategy should therefore look not only to imminent dangers but to preventive action against potentially dangerous future developments.

The Cold War force structure was centered on fighting the Soviet Union, primarily in Europe. Future forces will have to be designed to meet less predictable, more wide-ranging situations. One important role will be conventional deterrence and demonstration. The United States should make it clear that its armed forces will be used if necessary to pursue strategic goals. This will reduce attacks against America and its allies and citizens abroad.

The primary arm for this mission would be, as it has traditionally been, the Navy. A large, active, and visible naval presence worldwide will serve as an important check on the aspirations of leaders who are contemplating threats against the United States, its interests, or allies. Carrier battle groups would continue to be the centerpiece of the Navy, with a force of nine carrier battle groups and naval air wings.

If deterrence fails and conflict ensues, the United States should have the necessary force available to prevail against an adversary state. Naturally, the specific use of force will depend on the particulars of the crisis, but because many types of conflict are possible, U.S. forces should be flexible. With fewer forward bases and the possibility of future threats arising unexpectedly in remote regions, fast-attack forces will be an important component of the armed force.

Naval assets would probably be first on the scene and may be the only forces necessary if the conflict is contained. Three Marine divisions should be retained to serve as the inland element, using high-technology weapons and naval air support to make up for their relative lack of firepower. The Air Force would play a parallel though diminished role, since ground bases won't always be available.

The Army will play a less important part in overall defense, with the reduction of most of its NATO complement. Some have suggested that the Army should also be "lightened," that heavy armored forces are anachronistic and should be abandoned. This would be a grave error. If the United States must use force abroad, it must have the capability to use offensive force, to give theater commanders options to pursue whatever manner of military action they see fit. Operation Desert Storm offers a good example of the results that can be achieved by heavy forces.

Lack of armor would limit our troops to defensive roles, blunting the attacks of adversary heavy forces but unable to pursue decisive victory. The Army could be scaled back to 10 divisions at various states of readiness: three armored, four mechanized infantry, one cavalry, one airborne, and one air mobile. The smaller elite forces of all branches would be retained for special operations.

To maintain our current technological advantage, the United States should continue research and development on the next generation of "smart" weapons. As the Gulf War demonstrated, high-technology weapons and defensive systems mean fewer allied casualties. Smart weapons also cause fewer civilian casualties, which isn't a military necessity but is a value the United States should pursue. Civilians in illiberal states ought not to sacrifice their lives to pay for the sins of their juntas. Furthermore, the sheer margin of technological superiority could have a deterrent effect on potential aggressors, especially if the United States has the ability to target the entire enemy command structure (often including the leaders themselves).

The United States should continue to work for the elimination of nuclear, chemical, and biological weapons worldwide. Increasingly powerful conventional explosives and more-accurate delivery systems are rendering nuclear weapons obsolete for most strategic purposes. A small nuclear force could be maintained for purposes of deterrence against recalcitrant countries, but complete multilateral denuclearization would be preferable. Nuclear forces—submarines, bombers, and missiles—would be partly eliminated and partly converted to conventional roles.

As missile technology proliferates, the threat of purposeful or accidental launch against the United States increases correspondingly. Therefore, the United States should pursue political and diplomatic measures to slow the spread of these weapons, but it should also continue efforts to build some form of ballistic-missile-defense system. Because of the unlikelihood of a massed ICBM attack, a simple and inexpensive system should offer adequate protection.

The current system of military alliances requires substantial review, especially regarding costly force deployments overseas against threats that no longer exist. But the alliance structures

themselves should be continued as consultative bodies and frameworks for cooperative action. Europe is an important forward base for U.S. forces, and naval bases in Europe will continue to service our fleets in the Atlantic and Mediterranean. NATO also represents a significant political link between Europe and the United States, which will become more important as Europe moves toward political unity.

Other alliances serve similar ends. By maintaining bases and predeploying materiel in regions worldwide, the United States will be better able to react to future crises.

The wars of the 20th century were large, violent, and total. The decline of ideological conflicts will usher in an era of less violent, limited warfare. U.S. defense strategy should take this into account but the United States should continue its diplomatic and political involvement on the world stage. A return to isolationism in any form will bring exactly what it brought the last time we tried it: conflict. It is in our interest to maintain American involvement in world affairs now to prevent being forced into large-scale wars later. It is an investment we cannot afford not to make.

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BEYOND INTERVENTION

By Ted Galen Carpenter

Dramatic changes in the international political and military environment create both the opportunity and the need for the United States to adopt a new security strategy. For the first time in more than 50 years, we don't confront a powerful state, such as Nazi Germany or the Soviet Union, that could pose a grave threat to America's security, nor is a new threat of that magnitude likely to emerge in the foreseeable future.

The absence of a would-be global hegemon is a crucial development that should fundamentally alter U.S. defense policy. Although the post–Cold War world may sometimes be a disorderly place, without a powerful rival to exploit the turmoil, most conflicts will be parochial. The United States can, therefore, afford to view them with detachment, intervening only as a balancer of last resort in the unlikely event that a conflict cannot be contained by powers in the affected region and is expanding to the point that it jeopardizes America's own security.

The American people should repudiate efforts to preserve a global-interventionist role for the United States and should instead insist on a policy of strategic independence. That policy would avoid military commitments unless there was a serious threat to America's own vital security interests, which would be defined quite narrowly. A vital interest ought to have a direct, immediate, and substantial connection to America's physical survival, political independence, or domestic liberties.

Moreover, those who argue that an interventionist enterprise is necessary should bear the burden of proof. Their policy prescription would automatically entail tangible and immediate costs and risks to the American people as opposed to the hypothetical costs and risks of inaction. They should have to present compelling reasons for us to adopt their position.

Strategic independence would in no way constitute isolationism. Not only should the United States maintain extensive diplomatic, cultural, and economic relations with the rest of the world, but it must have capable military forces and be prepared to take decisive action if a serious threat to American security does emerge. A restrained defense strategy doesn't mean that U.S. policy makers must wait until bombs are falling on American cities to respond.

The most dangerous threat to American security in the post–Cold war era will probably be the proliferation of nuclear weapons. Not only does proliferation appear to be accelerating, but the regimes that seem most determined to acquire nuclear arsenals are precisely the ones that the United States would least like to have them—the Irans, Libyas, and North Koreas of the world.

That situation has important defense-policy implications for the United States. First, it means that Washington must be doubly cautious about intervening in regional disputes that don't have a clear and compelling relevance to America's security. The only thing worse than gratuitous meddling in parochial conflicts when the parties are armed with conventional weapons is meddling when one or more of the parties has nuclear weapons.

Second, the United States must maintain a credible strategic arsenal—approximately 2,000 weapons deployed on submarines and long-range bombers to ensure the survivability of a retaliatory force—as a deterrent. Finally, the dangers posed by proliferation greatly increase the need for an effective shield against ballistic missiles. Indeed, the ABM program is the one area in which U.S. military spending should be modestly increased during the 1990s.

America's post–Cold War defense forces should be geared to neutralize threats to American security, not to intervene in regional conflicts or to protect Cold War–era allies that are now capable of defending themselves. This means concentrating resources on long-range retaliatory forces and strategic defenses.

In addition to preserving a "strategic dyad" of eight or nine Trident missile submarines and a bomber fleet (50 to

60 B-1Bs and B-2s), the United States should maintain a 250-ship Navy (including six carrier battle groups) and 16 tactical air wings (nine Air Force, two Marine, and five Navy). Ground units (both Army and Marine) are the least relevant arm of the military in a post–Cold War setting and should be pared to an active-duty force of 250,000.

Most important, over the next five years, the United States should withdraw and demobilize the forces stationed in Western Europe, Japan, and South Korea. With the disintegration of the Soviet Union, it is absurd to protect those nations from secondary threats that they should be able to handle with their own military resources. The Bush administration contemplates keeping 150,000 troops in Europe indefinitely—plus reinforcements stationed in the United States—at an annual cost to American taxpayers of more than $90 billion.

Washington's security commitments in East Asia (primarily to Japan and South Korea) cost another $40 billion annually. Yet Japan has the world's second-largest economy and can easily afford to spend more on defense, if necessary. South Korea has twice the population of and an economy 10 times as large as its only conceivable adversary, North Korea.

If the United States jettisons its obsolete alliances and adopts a force structure appropriate to the conditions of the post–Cold War world, it can protect the republic's security with an active-duty force of approximately 875,000 persons at a cost (after a five-year transition period) of $125 billion a year (measured in 1992 dollars). That sum is barely half of the Bush administration's projected 1997 budget.

Even at $125 billion, the military expenditures of the United States would still be three to four times larger than the probable 1997 defense budget of any other member of the Group of Seven (G-7) industrial powers. The cuts may seem radical in the context of the elephantine Cold War–era budgets that have come to be considered "normal," but with the end of the Cold War, we must change our ideas of what constitutes normal defense spending.

Beyond the issue of cost, there is an important moral consideration. The lives, freedoms, and financial resources of the American people are not—or at least, should not be—available for whatever foreign-policy objectives suit the whims of the national-security bureaucracy. The U.S. government has a fiduciary responsibility to protect the security and liberty of the American republic, not to pursue grandiose schemes of world leadership. It doesn't have either a moral or constitutional writ to implement the political elite's activist agenda internationally any more than it has one to do so domestically. Those who are serious about the principles of limited government cannot in good conscience support a global-interventionist foreign policy.

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HASTE MAKES WASTE

By Murray Weidenbaum

Events since 1989, at home and abroad, reinforce the need for a "new look" by the United States in setting national-defense strategy. The most sensible approach is a step-by-step arms reduction closely keyed to firm evidence of continuing ease in world tensions. Hasty defense cutbacks not geared to the changing threats to our national security are foolish. They could place the United States in a needlessly vulnerable position. The history of the past half century shows frequent and wasteful start-and-stop cycles of defense spending.

It makes good sense to cooperate with the ex-Soviet republics to cut back on the size of both military establishments. Yet the United States should be prepared to reverse course if a new leadership in Russia takes a more aggressive position or if serious strategic threats arise elsewhere. Effective reversibility thus requires a strong and diversified defense industrial base as well as alert and well-trained reserve components.

The most reasonable basis on which to plan our own national security is to expect continued and substantial reductions in U.S. military spending over the coming five years, if not longer. The cutbacks will be more than the very modest 1-percent to 2-percent annual declines of the late 1980s. We can plan on defense reductions of 5 percent a year or more. Another way of looking at it is that a high level of military spending will continue for the indefinite future, but it will be much lower than the peak rates of the 1980s.

This substantial, but curtailed, level of defense outlay necessitates a variety of adjustments, many of them painful to the people directly involved. Yet the general magnitude of the change will be less (as a share of GNP) than was the case following the end of the Korean War or the Vietnam War.

To fit within fiscal reality, Congress and the president have to take those difficult actions that the government has tended to avoid since the mid-1980s—substantially reducing the number of aircraft, missiles, and ships the Defense Department buys and the number of people in uniform. The mismatch between the military's wishes and congressional appropriations can only be resolved in one way—by cutting the planned spending to fit the budget cloth.

Coming to grips with the budgetary challenge will also reduce the great uncertainty that currently hangs over planning in the defense industry. That uncertainty adversely affects

defense businesses and their employees. Some of the cuts that should be made are obvious. It is only bureaucratic inertia that has blocked them. For example, the Navy still plans to spend $1 billion to build and outfit a series of additional "home ports" originally designed to support a 600-ship fleet.

The current fleet is less than 500 ships, and further reductions are clearly in the cards. The support for continuing expensive and needless construction comes from the cities where the new ports are scheduled to be built. We must be on our guard against born-again military enthusiasts. Local interest groups find it easy to confuse pork with patriotism. Do you want to convert a congressional dove to a hawk? Easy; just try canceling a defense contract in his or her district.

The national interest requires a basic downsizing of the three military services. The end of the Soviet threat to Western Europe means a smaller Army. The reserves should be assigned the major portion of the task of defending our interests in Europe in the event of a future crisis.

The Air Force can also be cut because the United States will play a substantially smaller role in NATO. Nevertheless, we will still need a strong Air Force. Intercontinental ballistic missiles are still very much operational all throughout the region formerly controlled by the Soviet Union. And no one knows who will wind up controlling them.

Finally, the Navy should shift more of its vessels to reserve status and also reduce the number of aircraft carriers. Nevertheless, America needs a substantial tactical force of Navy and Army units to deal with potential crises in the developing world.

This smaller U.S. military force should be based mainly in the continental United States. It would require much less infrastructure support than the current armed forces, although airlift and sealift capability would be important considerations. Moreover, the quality and morale of military personnel must be maintained at high levels despite the reduction in their overall size and budgets. That takes pay and perks at levels competitive with the civilian economy. Visions of peace dividends shouldn't obscure the need to maintain an adequate corps of professionals in the armed forces and key reserve units.

In voting lower appropriations for defense, Congress should avoid setting in motion a new stop-and-go cycle in military spending. Serious threats to national security are changing in form, but they surely continue. Possibilities range from the Middle East to the nuclear buildup of North Korea. The effectiveness of the large amounts of money and resources devoted to defense will be enhanced by lowering the peaks in the military budget and raising the valleys.

None of this is reason to stop the movement to a lower level of defense spending. The prosperity of the United States doesn't require any particular amount of military activity. In fact, the productivity and competitiveness of the American economy will suffer if the government uses defense spending to prop up the prosperity of any region or industry.

Further, unemployed defense workers shouldn't receive special benefits. They should be treated as generously as—but not more or less than—say, people who lose their jobs because of sluggish housing sales resulting from a change in the government's monetary policy.

The scientists, engineers, and technicians that constitute a large fraction of the defense industry don't need federal "make work" programs. They are among the most mobile members of the labor force—geographically, industrially, and occupationally. While defense is a national problem, economic adjustment is largely local. In any event, the private sector is better equipped to deal with adjustment to defense cutbacks.

Many defense-oriented communities take the position that the nation owes them something special because of their "contributions" to national defense. But we must dismiss such obviously self-serving views. Just recall the vigorous lobbying efforts those same communities made to get the Pentagon to locate the defense contract in their locality in the first place.

However, cuts in defense spending should be accompanied by a massive dose of deregulation in the military procurement process. Congress should strip out the host of special provisions that require military contractors to act like government bureaus doling out benefits to designated classes of beneficiaries. That would reduce the overhead costs of defense contractors. It would also increase their ability to transfer new technology between civilian and military products.

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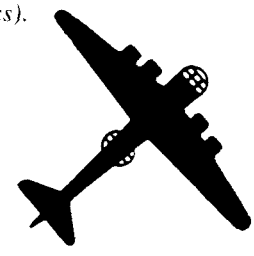
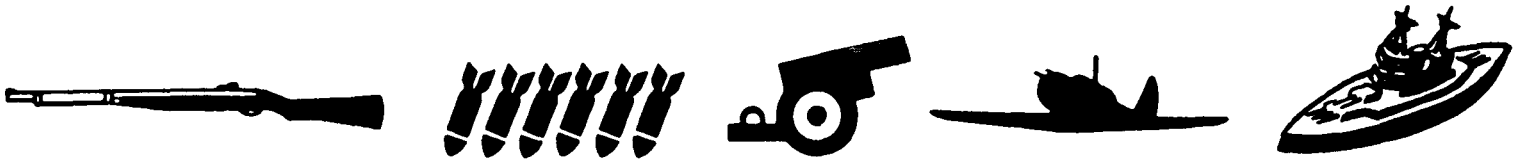


INVEST IN HIGHER MACHINE IQ

By Bart Kosko

Most money for weapons goes to develop them. Much less money goes to research them and draw their blueprints. In fiscal 1990, Congress spent $81 billion on weapons procurement, $88 billion on "operation and maintenance," and $75 billion on military personnel. It spent $37 billion on all R&D and testing and most of that on development and testing. In contrast, Congress spent $12 billion on NASA and $2 billion on the National Science Foundation.



This suggests a rule of thumb for massive R&D cuts: Up the R a little, slash the D a lot. In 1991, Defense Secretary Dick Cheney called for stopping the development cycle at the prototype level. That is the right idea and the right first step. As long as the United States retains the capability to produce state-of-the-art weapons, it's not necessary to actually manufacture them unless new threats to our security emerge. Cutting production will mean the end of large aerospace firms, at least those that get 50 percent or more of their revenue from defense contracts.

A new market could soon form. There are and will be hundreds of thousands of laid-off aerospace workers and researchers who can consult, form small firms, and start think tanks to supply the new demand for defense research. A report by the Los Angeles County Aerospace Task Force claimed that by 1995 L.A. County alone may lose up to 420,000 aerospace jobs. The new defense-research market can help the United States keep its lead in the design of smarter weapons.

There is now a reason to favor research over development: Machine IQs are on the rise. Emerging technology could make U.S. weapons obsolete unless we keep up. We are seeing smarter cars, smarter satellites, even smarter washing machines. Part of this IQ boost comes from advances and shrinkage in sensors and computer chips and materials. Defense firms and funding agencies will no doubt support these areas. But most of the IQ boost comes from an area that most people have not heard of. This area is a new branch of machine intelligence that looks at the world from a view called *model freedom.* To grasp model freedom it helps first to see what it is not.

Science paints a picture of the world with math models. Each model uses equations to turn inputs into outputs. Newton's law of gravity is a simple math model. It takes as inputs the mass of two objects and their distance and gives as output their gravitational attraction. The models of econometrics use many equations to tie outputs to inputs. New data on interest rates and GNP and employment and the money supply tune the equations.

The trouble is that someone has to guess at the equations. Newton guessed well, and Einstein guessed better. In most cases, we have no idea what the equations look like. The world is too nonlinear. We don't know the math to control a helicopter in flight when it loses a rotor blade or to tell a mine in the sea from a rock or even to back up a truck and trailer to a loading dock. The new techniques of neural networks and fuzzy logic can perform these tasks. Like humans they work with no math model.

Model freedom lets the data tell their own story. It lets systems learn from experience. A neural net starts out as a black box with a tangled web of synapses inside. You show it a stream of inputs and outputs and the web changes. In time, when you give it an input it gives the right output. You show it a sonar picture of a rock and it says a rock and not a sea mine. It learns some complex math model in its tangled web of synapses but no one knows what it is or cares.

A fuzzy system works the same way but it learns, or you give it, a set of common-sense rules: If the water is dirty, then add more detergent. If the trailer turns to the right a little, then turn the steering wheel to the left a little. If the scud speeds up a lot, then move the cross hairs to the right a lot.

In theory, these model-free systems can model anything. So in theory neural nets and fuzzy systems can learn any relation between inputs and outputs, between cause and effect. In practice, we are still working on it. Smart fuzzy appliances and decision aids in Japan, which owns this market, came to over $2 billion in 1991. In the United States, Motorola, General Electric, and Rockwell have started large programs in smart fuzzy products. NASA has held workshops on neural nets and fuzzy logic and worked them into new designs for space shuttles and Mars rovers.

Defense firms and agencies have been slow to work with the model-free strains of machine intelligence. Cruise missiles and fighter aircraft still use 1960s control and scene-matching software. In some cases, you can prove theorems about how these simple math models work. The new model-free black boxes work well but do not leave much of an audit trail of how they work. They have no math model and that means no math guarantees. You have to trust simulations.

That and their newness has not set well with many defense agencies. But it has not stopped Sony from building fuzzy TVs or stopped Honda from putting fuzzy transmissions and brakes and fuel ignitions in its new cars. And future weapons systems—many with high-speed swarms of smart missiles and robocraft—will defy any man's math model. The future is model free whether generals feel comfortable with it or not.

Investing in higher machine IQs has a better chance that it will lead to commercial spinoffs than does investing in the later stages of weapons R&D. First, the commercial market has adapted to much of the new smart technologies. It stands ready to use the next advances. There is little market for stealth and other technologies grown in the defense hothouse.

Second, the problems of smart weapons are much like those of smart products. They come down to how we sense data and how we use them to control actions at the cognitive level. If you can tell friend from foe by a laser radar pulse, you might use the same pattern-recognition net to tell cracked bottle caps from good ones or to tell a safe loan from a risky one or to tell a healthy cell from a cancerous cell. If you can control a swarm of cruise missiles as they talk and hit targets and get hit and reassign themselves, you might use the same fuzzy-logic rules to schedule tasks in a supercomputer or to guide a platoon of small cars as the cars cruise down a freeway and join or exit the platoon.

Few weapons programs favor simulation over production, software over hardware. One exception is the little-known Air Defense Initiative or "Air Wars." This program started in the

late 1980s in the shadow of the Strategic Defense Initiative. SDI tried to put the roof on a house before the sides were up. Even the best Star Wars shield could not stop a cruise missile or swarm of them lobbed at the White House from a close submarine or bomber. ADI deals with these "air-breathing" threats of the future, the sort of pinpoint strikes a future Azerbaijan or Mexico might launch against its neighbor. The Air Force wants to fund an ADI simulation testbed to test new ADI weapons systems and organization schemes in "virtual" battles. So far, the giant SDI program has taken most of the ADI monies.

Today the Defense Advanced Research Projects Agency funds most of the research on smart weapons. DARPA has favored mainstream computer and "artificial intelligence" approaches over the new model-free systems. From the 1960s to the 1980s DARPA kept the new A.I. field afloat and kept that infant industry an infant. Hundreds of millions of dollars led to a few A.I. breakthroughs and no A.I. commercial products that you can find on the shelf or in the office or in the kitchen.

One idea is to start a new civilian DARPA to nurture new smart technologies and to compete with the Cold War DARPA. A lesser-cost idea is to strip DARPA of its top-secret projects and put it under civilian control. That might make it act more like Japan's Ministry of International Trade and Industry. A still lesser-cost idea is to abolish DARPA outright.

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DEFENSE TRUST BUSTING

By Benjamin Zycher

The collapse of the Soviet Union and of state socialism in Eastern Europe signals the end of the great 20th-century struggle for hegemony in Europe, a contest that had its origins in the German quest for power that grew in the late 19th century, culminating in the First and Second World Wars. That in the end this hegemony will be enjoyed by a Germany defeated in both blood baths is ironic but hardly affects the vital interests of the United States.

In the narrower context of U.S. defense planning and organization, the end of the Cold War provides a rare opportunity to restructure substantially the U.S. defense establishment, which more accurately should be termed the Socialist Defense Cartel. This reflects one of the great missed opportunities of the Reagan administration—the failure to use the large Pentagon budget increases to offset inevitable bureaucratic opposition to reform of the defense cartel.

Of more central interest are the appropriate goals of the U.S. defense establishment in a post–Cold War world. These are: preservation of a core defense program as an insurance policy; development and deployment of missile defense; expansion of a vigorous antiterrorism capability; deployment of a substantial preemption capability; and preservation of a highly credible and stabilizing second-strike nuclear capability.

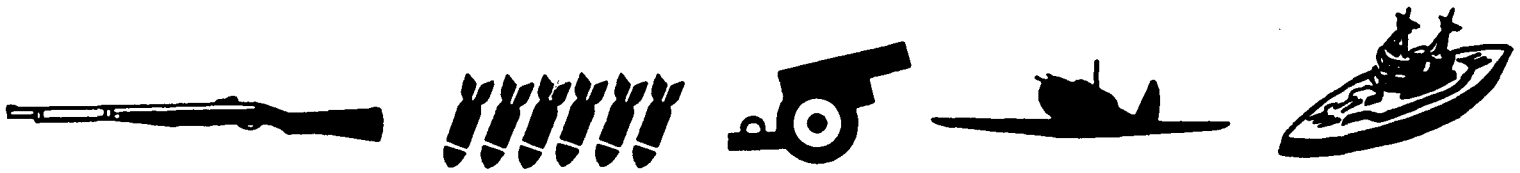
Core Defense Insurance. Invoking uncertainty about the future, the Bush administration supports only minor reductions in the size and cost of the U.S. military force structure. Such uncertainty, of course, is an omnipresent feature of life; that hardly implies that a force structure appropriate for an uncertain world with a Cold War is appropriate also for an uncertain world without one. That life is uncertain can be used to justify anything. But because resources are limited always and everywhere, judgments must be made about the seriousness of alternative risks. Whatever one's view of U.S. interests in Europe, the end of the Cold War *must* imply that we should cut U.S. military forces subtantially.

On the other hand, unforeseen risks can arise. That future risks are undeniably smaller, but still real, means that preservation of a smaller but substantial defense establishment is appropriate. This force must be sufficiently large to deal with realistic threats, say, to Mexico and must be expandable on relatively short notice.

In budget terms, this requires substantial resource commitments to training and equipment but for smaller forces. Equipment whose acquisition involves long lead times should be stockpiled, with production lines kept open and expansion capacity maintained. Further, the United States should maintain a large training program for reserves to allow for a quick expansion of our forces should that prove necessary. In total, the defense budget should be cut to about $150 billion (in 1991 dollars) over a period of five years at most.

Missile Defense. "Nonproliferation" is an unrealistic goal. The embargoes upon which it depends require that all potential sellers agree not to sell, an arrangement that is unstable for the same reasons that any cartel will tend to find its members cheating. In a world with rapid evolution in technology and with rapid dispersion of technological expertise, it is foolish to assume that many regimes will fail to acquire substantial nuclear, biological, or chemical weapon technology and delivery capabilities.

Such a world may well be one in which future Saddam Husseins, of which there is an infinite supply, will be able to threaten greater damage to the United States than the United States can threaten in retaliation. Certainly, the exchange of political damage between elected U.S. leaders and foreign



autocrats is unlikely to prove salutary from our perspective.

Therefore, the United States should develop and deploy missile defenses, whether ground or space-based, capable of defending against attacks by dozens or perhaps hundreds of warheads. Such a system should be made expandable because the military capabilities of even small regimes will tend to grow over time, increasing the danger to the United States.

Antiterrorism. Rarely if ever does terrorism pose a threat to the survival of a state. But responses to terrorism carry important implications for the security of individual citizens, for future terrorist activities, and for public morale under democracy. As a central principle, attacks upon innocent lives and property must be resisted vigorously, and nations harboring or sponsoring terrorist organizations must be subjected to certain and *disproportionate* retaliation.

Retaliation is necessary because free societies cannot be on the defensive always and everywhere, and more generally because hiding under the bed is not consistent with preservation of national self-respect. This means that resources must be invested in commando units, transportation, delivery systems, special weaponry designed to minimize collateral damage, and the like.

Preemption. Conditions will arise under which hostile regimes will develop weaponry threatening vital or important U.S. interests. Major ground operations or other actions in response may appear too cumbersome or otherwise inappropriate. Therefore, the United States should have a capability for "surgical" preemptive strikes designed to remove such threatening weapons. A small long-range bomber force, coupled with development of highly accurate cruise missiles, whether ground-, sea-, or air-launched, will provide an important form of insurance.

Nuclear Deterrence. Nuclear threats will not disappear, and preservation of effective deterrence against potential first strikes is an important defense goal remaining from the Cold War. So that potential aggressors will see an effective first strike as futile, presentation of an effective second-strike capability requires some combination of missile defense and deployment of large numbers of retaliatory weapons.

Maintenance of deterrence stability—reduction of incentives for first strikes by potential adversaries—requires that the U.S. strategic force not be seen as a first-strike force. This consideration puts limits on the number of strategic missiles carried by submarines and a premium on nuclear-armed cruise missiles and bombers, which are too slow to pose a first-strike threat. Multiple-warhead weapons and other such destabilizing strategic assets should be limited sharply or eliminated.

Finally, let us recognize that the U.S. defense establishment now may be the largest centrally planned economy in the world. Pentagon decision makers, when designing weaponry or when specifying performance characteristics, have weak incentives to respond to shifts in consumer preferences. The "consumers" are the soldiers in the foxholes, the airmen facing dogfights and anti-aircraft fire, and so on. A good proxy for these ultimate users may be the theater commanders charged with the task of winning battles. But without a profit motive or competition, Defense Department decision makers have few incentives to follow the preferences even of theater commanders.

As a result, the Pentagon often has promoted and shielded from criticism and competition weapon designs with dubious combat features and effectiveness. The performance of the M-16 rifle during the Vietnam War provides a classic example of such bureaucratic turf protection: the M-16 was redesigned by the Army from the AR-15, which had been developed by a private inventor. To protect its own design bureaus, the Army fought against it for years, and then redesigned it, resulting in a far less reliable and effective weapon.

During the 1991 Gulf War, the Air Force A-10 "Warthog," however ugly, performed brilliantly in support of Army and Marine ground operations, as it was designed for that specific purpose. For years, the Air Force tried to eliminate funding for the A-10 precisely because it supports the other services, and thus yields few bureaucratic benefits for the Air Force. The Air Force wanted to use F-16s and other more glamorous aircraft for ground support, even though their great speed makes them far less suitable for such missions. One crude way to get weapons and other equipment that conform more to user preferences is to give the users a larger voice or a direct veto in design decisions.

Because the military services have tasks that are defined sharply with little overlap, each service is in effect a monopolist in its defined missions. This is closely analogous to a cartel which divides submarkets among its members. The Army, for example, is prevented from flying fixed-wing aircraft, giving the Air Force a monopoly in the provision of much close air support for ground operations.

An important reform would have the services compete. For example, the Army and the Marines could be required to compete on a much broader scale in "production" of ground combat operations. The Army and the Air Force could compete in the provision of close air support. The Navy could be forced to compete on a much broader scale with the Coast Guard.

The 1990s have brought the dawn of a new age, but the U.S. defense establishment is structured to deal poorly with smaller but more numerous threats—or with tighter budgets. Defense is too important to be left to the Cold Warriors.

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WHAT I DID ON MY SUMMER VACATION

BY RONALD BAILEY

"I wonder how much of all this used to be wetlands?" Startled from my reverie, I turned to look at the middle-aged "Christian ecologist" who had just uttered these words.

We were standing together on Rio's famed Corcovado Peak, and spread out more than 2,000 feet below us was one of the world's most magnificent cityscapes. The lovely ranked towers of Rio de Janiero are wedged between precipitous green-clad mountains and the Atlantic Ocean; San Francisco's topography looks boring by comparison. Corcovado offers the kind of view that makes one think well of one's species. Yet the fanatic gleam in my companion's eyes made it clear that she could think only of razing the city and turning it all back into fetid swampland.

It could only happen to me. I get to spend three weeks in the world's most sybaritic city—the citadel of sun, surf, and sex—only to be stuck in a *convent* with a bunch of fanatic Christian environmentalists who sing hymns every morning at 7:00. It is an experience I won't soon forget.

"WELCOME TO RIO, MR. PRESIDENT!"

Besides me and my green companions, more than 100 presidents, prime ministers, and princes gathered at the world's greatest-ever photo op in Rio last June. We were joined by diplomats from 178 countries, 9,000 journalists, and 17,000 environmentalists representing more than 1,400 nongovernmental organizations. But what was that epochal event really like?

Let me set the scene. There were two parts to the whole affair. There was the official summit, which was billed modestly enough as "the most important meeting in human history," which took place at the giant Rio Centro convention center 20 miles south of town. The official summit was not known for understatement. Maurice Strong, the Mr. Magoo–like Canadian oilman who served as its secretary-general, warned that humanity's current path "could lead to the end of civilization" and that "this planet could soon become uninhabitable for people." He concluded that the only hope for saving humanity lies in sweeping changes in "global culture and value systems."

The second part—far more interesting from a psycho-social-cultural point of view—was the parallel Global Forum held in green-and-white tents occupying Flamengo Park near downtown Rio. The Global Forum was advertised as the "world's fair of environmentalism." It resembled a Middle Eastern *souk* where thousands of crafty merchants hawked the snake oil of bogus environmental crises and the frayed rugs of green-tinged socialism. The site itself was spectacularly lovely; the park borders Flamengo Beach and faces Rio's magnificent harbor, and the pinnacle of Sugarloaf Mountain hovers in the background.

Everybody who is anybody attended the Earth Summit, including Bianca Jagger, Jacques Cousteau, Shirley MacLaine, John Denver, Ted Turner, Jane Fonda, former children's singer and now "eco-troubadour and radical earth advocate" Rafi, Bella Abzug, Jerry Brown, the Dalai Lama, "Senator from Planet Earth" and now vice presidential candidate Al Gore, and many, many more. They even mingled with us lesser lights.

One evening while having drinks at the Hotel Gloria's poolside bar, I noticed Shirley MacLaine sitting alone. So I sauntered over to ask her what she thought of the Earth Summit. "I'm having a wonderful time," she said. "I believe that consciousness is being raised on many levels." But she had one, not quite ecologically correct, complaint: "It's too hot in the tents. They ought to air-condition them."

Well, what did she think of George Bush's policies? "I think he's being very covert." Covert? "Yes, you know, he learned how to be covert when he was the head of the CIA. Anyway, Bush is coming to Rio just to do a media grope." Couldn't argue with that last trenchant observation.

The Global Forum was officially opened by former Agent 007 and now UNESCO Children's Representative Roger Moore on Flamengo Beach. The ceremonies included the arrival from Norway of a replica Viking ship, the *Gaia*. Taking a leaf from the French Revolution, the *Gaia*'s dotty captain proclaimed that since Tuesday is named for the Nordic god of war, Tiw, we should change it to a more politically correct usage—he then wished us all a "happy first Gaia Day." Meanwhile, a racially and culturally balanced group of children disembarked from the *Gaia* to address the assembled masses. The Russian child spoke in English, while the American (a blond named Molly Todd) spoke in Spanish to the largely Portuguese- and English-speaking audience. I found this very irritating.

One Brazilian teenager was clearly not in the spirit of the ceremonies—he

HENRY PAYNE

wandered by wearing a Metallica T-shirt that read simply, "Kill 'em All." Or then again, perhaps it was a plea for drastic population control. The ceremonies ended with Jimmy Cliff singing "By the Rivers of Babylon."

"We in the North consume too much," intoned Norway's dour prime minister, Gro Brundtland, at the forum's opening. Brundtland chaired the U.N. commission that issued the green internationalist manifesto *Our Common Future* in 1989. This sequel to the notorious *The Limits to Growth* led directly to the establishment of the Earth Summit.

Brundtland's remark echoed one constant refrain heard at both the summit and the forum—the charge that citizens of the developed countries (hereinafter called "the North") are "overconsuming." You probably didn't realize it, but we in the North are suffering from "overdevelopment"—a case of material goods overload. Fortunately, the activists at the Earth Summit have a solution for this problem: Let the government divest you of your excess goods, such as your carbon-dioxide-emitting automobile; your alienating, too big house or apartment; and foods imported from outside your bioregion.

Indeed, Northern overconsumption is responsible for nearly all the ills of the world, including overpopulation in the developing countries (hereinafter called "the South"). The assertion by many Third World representatives that "because you are rich, I am poor" was never doubted in the discussions that took place in the conference rooms of the Global Forum.

Perhaps the most surprising thing about the Earth Summit was how little the natural world and the environment were actually mentioned. Usually, the alleged crises were simply stipulated and the conversation and speeches turned quickly to discussions of how to redistribute the world's wealth. Environmental activists assailed transnational corporations and strongly opposed free trade.

Friends of the Earth founder David Brower declared that the General Agreement on Tariffs and Trade "is an end run around the principal environmental gains of the past century." He also called transnational corporations "one of the greatest threats to the Earth." Perhaps environmentalists mean to protect ancient industries along with ancient forests?

Although I am generally not much of a nationalist, the patience of the most laid-back, even-tempered American (excuse me, *North* American) wore thin under the unrelenting onslaught of virulent anti-Americanism at the Earth Summit. Even the ultraliberal Rep. Gerry Sikorski (D-Minn.) lashed out after a Zambian made a particularly vicious attack on the United States for not giving more money to the South. Sikorski told the Zambian that he would "feel a whole lot better about asking my constituents for money for the Third World if you would clean up your corrupt governments first."

One Brazilian teenager, who wore a Metallica T-shirt that read simply, "Kill 'em All," was clearly not in the spirit of the ceremonies. Or then again, perhaps he was pleading for drastic population control.

The Christian ecologists with whom I was staying included two Motilon Indians from Colombia. I became pretty good buddies with Fidel Waysirsina and Roberto Dacsarara Axdobidora (Don Fidel and Don Roberto) while carousing together in Rio's night spots. Don Fidel is a university-educated administrator and Don Roberto a lawyer.

They were not completely with the Christian ecological program—especially not Don Fidel. Don Fidel, one of the principal leaders of the Motilones, has been kidnapped twice recently by communist guerrillas in Colombia and both times barely escaped being killed by them. He has a very strong sense of his community's property rights. A year and a half earlier, a band of guerrillas had tried to cross Motilon land without permission. They were killed by bows and arrows as a warning to their compatriots, who now politely ask for permission before venturing onto Motilon land. Not exactly gentle, unspoiled primitives.

During the meetings with other Indian groups, I was struck by the contrast between Don Fidel and Don Roberto, both nattily attired in linen suits, and the Canadian Indians dressed in grungy jeans and tattered T-shirts (one of which, I kid you not, read "POW WOW"). One session involved the ritual smoking of tobacco (in this case a pack of Players cigarettes as well as the more traditional braid of tobacco). Imagine my surprise when several white, rail-thin vegetarians joined the circle to smoke the peace pipe. These were the sort of people who would become apoplectic at the mere thought of inhaling a whiff of second-hand smoke while dining in a Santa Monica restaurant.

The round of festivities and moments of green self-congratulation were nearly endless. I attended a reception at the Sheraton, where America's environmentalist-in-chief, Al Gore, presided over the formal presentation of the "Global Situation Room" to the Brazilian government. The brainchild of artist Tom Van Sant, the Global Situation Room's centerpiece is a magnificent computer-generated collage of satellite images of the Earth that, combined, offer the first cloud-free photograph of the home planet.

During the presentation, I sidled over to Sen. Steve Symms (R-Idaho) to say hello. When he figured out that I was not one of the usual environmental journalists, he laughed: "The ecofreaks ought to be mad at people like me, not President Bush. He's gone the extra mile. In fact, he has perhaps gone a mile too far."

I also spoke with fortysomething California developer David Rivard, who now works for the California World Foundation. Rivard is scary. He believes humanity should renounce technology as an "act of faith." Rivard argues that we should

emulate hunter-gatherer societies because they are "the only cultures that have sustained themselves for 20,000 years."

He insisted to me that antibiotics have weakened humanity's gene pool. He disdainfully rejected the suggestion that primitive societies are being superseded by more advanced societies because they are being outcompeted. He also noted: "I haven't heard a single person involved in the United Nations process use the word *progress*." (I thought to myself, "Good point, Dave.") Like I said, scary.

One of the more amusing plans for saving the Earth offered up at the Global Forum was arch-environmentalist Hazel Henderson's proposal that all economists be forced into re-education camps. Henderson asserts that "economics is a form of brain damage." Under her plan, economists would be forced to attend classes in biology, anthropology, sociology, etc., and then pass a test to prove that they had reformed. "They will not be able to be policy-making economists until they pass their sustainability exams," she explained. Watch out Friedman, Boskin, Galbraith, and Samuelson.

It could have been worse. One environmentalist friend of Henderson's advised her: "Look, Hazel, you really need to line them up and shoot them all." Strong, the secretary-general of the summit, endorsed Henderson's proposal.

Since most people in the United States were saturated with Earth Summit news coverage, I won't bore you with the details of the agreements reached at Rio. The good news is that the generally weak-willed and anxious-to-please Bush Administration managed not to sign even more damaging treaties. Although EPA administrator William Reilly tried his best to get the United States to agree to the Convention on Biological Diversity, President Bush just barely managed to muster the backbone to resist signing it. This treaty would have crippled our burgeoning biotechnology industry by seriously compromising patent protection and intellectual-property rights. The Biodiversity Treaty could have required companies to license their technology to developing countries without compensation and to pay extortionate sums to Southern nations for access to their genetic resources.

The bad news is that by signing the "gutted" version of the Global Climate Change Treaty, the United States is officially buying into the notion that "global warming" is a serious environmental problem. Even as more and more scientific evidence accumulates showing that the threat of global warming is overblown, President Bush has called for an international meeting in early 1993 to consider ways to implement the treaty. These discussions will no doubt revolve around economically devastating limits on carbon-dioxide emissions from burning fossil fuels. Carbon-dioxide reductions that would satisfy environmental radicals would cost trillions of dollars to achieve. I tremble when I think that Al Gore may then be in control of U.S. environmental policy.

Discussing how to make economists environmentally responsible, one activist concluded, "You really need to line them up and shoot them all."

The United States also signed Agenda 21, the ambitious 800-page blueprint for global environmental regulation and economic planning for the 21st century. Agenda 21 is the Mother of All Five-Year Plans. A U.N. Sustainable Development Commission will be established by the General Assembly under the authority of the secretary-general to oversee Agenda 21. To implement Agenda 21 programs, the North is also expected to give the South $125 billion annually. During the negotiations at Rio, the developing countries (the so-called Group of 77 or G-77) pressed the Northern Countries to "reaffirm" their commitment to redistribute 0.7 percent of their GNPs to the South.

Meeting this goal would mean tripling U.S. foreign aid. However, the Bush administration got around this provision by carefully noting that since the United States had never "affirmed" its commitment to a 0.7-percent giveaway in the first place, by signing Agenda 21 it would be "reaffirming" a commitment it never made. Such are diplomatic niceties.

It's hard to make fun of the many earnest people who actually believe they are struggling to save the Earth from imminent destruction. They attend meetings; they suggest more love, more caring, and more sharing as the solution to the planet's problems. Participatory democracy, redistribution, and consensus building form the nebulous bases of their political program. They participate in demonstrations. (I overheard one participant tell another, "I'll feel somehow unfulfilled unless I participate in at least one demonstration while I'm here.") These people don't worry me very much.

In stark contrast, however, are the more steely-eyed, must-break-eggs-to-make-omelets types. Not for them, the mushy, New Age spirituality. They exhibit the dedication of true-believing fanatics in the classic Leninist mold. They sat through interminable meetings hammering out manifestos and plans to make sure that their governments obey the treaties they signed. They know exactly who their enemies are and precisely what must be done to snatch the planet back from the precipice.

Chris Flavin, an environmentalist from the particularly gloomy Worldwatch Institute, proudly declared: "You cannot go to any corner of the globe and not find some degree of environmental awareness and some amount of environmental politics." Flavin also added that with socialism in disrepute, environmentalism is now the "most powerful political ideal today." Alas, he is right.

Contributing Editor Ronald Bailey is the producer of the weekly PBS series Technopolitics *and his book* ECO-SCAM: The False Prophets of Ecological Apocalypse *will be published by St. Martin's Press in February.*

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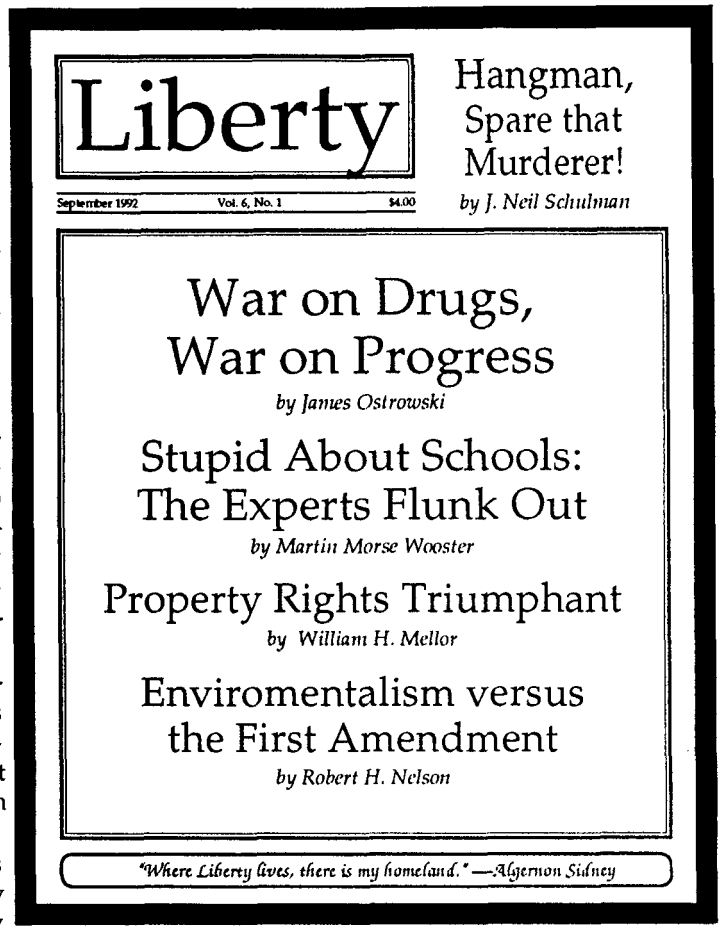
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MARKETS OR MAFIOSI?

BY STEPHEN F. WILLIAMS

In Moscow it is said these days that there are two ways of reforming the Russian economy, a realistic way and a fantastic way. The realistic way is that a bunch of foreign merchants will fly in from another planet and reform it. The fantastic way is that the Russians will do it themselves. Too true.

The night I arrived in Moscow we went to a restaurant near what used to be Dzerzhinsky Square (now Lubyanka Square). Down the street is an intense open-air market, where hundreds of sellers are offering all kinds of items—food, clothes, small household goods. As a new arrival, I read it as proof of the market's irrepressible spirit, a living rebuke to Felix Dzerzhinsky and the others who spent 74 years trying to stamp it out. But when I left two weeks later, the market at Dzerzhinsky Square seemed more a sign of how communism is able to contaminate the little shoots of free market coming up amid the ruins.

The Russians throw the word *mafia* around rather loosely. If here it means organized crime, there it need not be organized, or even criminal. They have a word, *mafiozny*, or "mafia-ness," which covers not only organized crime but also all the sorts of side deals and behaviors that were necessary under the command economy to prevent a complete breakdown—bribes, back scratching, extortion, protection, theft, playing connections. But because the old system continues, with markets like those in Dzerzhinsky Square arising only at the periphery, *mafiozny* continues to thrive.

Indeed, my group faced it before we were even legally in the country. The Russian embassy in Washington had made a mistake on our visas, filling in an entry date three days later than when we were in fact scheduled to arrive. At the airport the Russian immigration officials spotted the gaffe (if it was a gaffe), and told the U.S. embassy officials that it could be straightened out for $100 a visa

A horrified woman told me, "They sell the goods for more than they paid for them!"

(surprising that a Russian fine should be stated as a nice round dollar figure!). Our officials bargained them down to $55 a head, but we have no way of knowing where the money went.

One nice lady, a school teacher, at a market like the one at Dzerzhinsky Square, told me in tones of horror, "You know, they sell the goods for more than they paid for them!" The remark tells a lot about the residue of communist ideology, but it also raises a good question: How did the goods get there? If they were originally sold at competitive prices in state stores, how could it be worth the buyers' and sellers' time to exchange them in this rather awkward market? The answer is almost certainly that they were not sold at competitive prices.

More likely, they traveled into the private sector the same way tickets to the Bolshoi do. Nominally these sell either in a dollar market, for $80 a ticket (with some discounts), or in a ruble market, for 14 rubles a ticket, or about 15 cents. Since at the absurd ruble price the queue would probably fill Red Square, there is some system—some variant of *mafiozny*—by which they get out into the market and are then resold at more realistic levels. (Before a performance at the Bolshoi, ticket hawkers swarm at all the approaches.) To ordinary citizens, then, the free market means the sales of quasi-hot goods; profit is the reward of *mafiozny*. Not a good foundation for a market system.

The popular notion that the market is a cause of increased mafia-type behavior is in part true. What makes the Dzerzhinsky Square market possible is that the private sale of goods is no longer a crime, so that mafia-type deals are better rewarded and thus, surely, more frequent. By the same token, to the extent that ability to pay is related to economic contribution—less so than in a true market system, but more so than before there was any private sector—the now-legal aftermarket indirectly stimulates contributions to production and distribution.

Why does *mafiozny* persist? Its core is betrayal of trust. But that betrayal was the essential grease of the old command economy. Under central planning almost all economic actors are theoretically agents of the state (and thus, supposedly, of the public). But, as 74 years of communism showed, the state couldn't even identify the public interest in any meaningful terms; it couldn't tell whether a load of steel was more to be valued for apartments in Moscow or tractors in Vladimir. So it was hardly objectionable that state agents betrayed their nominal trust and used side deals to make some production possible. And because the state could not monitor all its agents, the betrayal was not only desirable but pervasive. So long as almost the entire system of production and distribution is in state hands, the pattern seems bound to continue.

Why has privatization proceeded so slowly? Much of the answer must lie in Russian tradition; as a guide said apologetically when discussing a painting of Lenin haranguing some Komsomol members, hung at the top of a grand stair-

COURTESY OF STEPHEN F. WILLIAMS

case in the Kremlin's Crown Palace, "We cannot escape our history."

Bureaucratic hierarchy and corruption are a way of life going back long before the Communists. On my next-to-last night in Moscow I saw the ballet *Anyuta*, based on a story of Chekov's. The heroine marries a fat, dull, but ambitious bureaucrat. She secures his advancement by sleeping with his boss—getting the boss to betray his trust. One of the dances is called "Red Tape, Hymn to Bureaucracy" and another "Congratulations of Subordinates, Hymn to Servility." Of course Gogol's *The Inspector General* is a set of variations on the theme of bureaucratic betrayal of trust.

While bureaucracy flourished, the roots of private property were thin, even in 1917. Both before and after emancipation, the serfs held most of their land communally. Only with Stolypin, starting in 1906, was there even an effort to establish private ownership. And that effort was largely abortive.

As then, so today. Few apply for land. One factor must be fear of their neighbors' likely envy. As one Russian professor said of his countrymen, "These are the people who in the '20s burned the kulaks' houses and in the '30s tattle-taled on their neighbors to send them to the gulag."

They may also fear tax burdens. Certainly that is a reason that apartment tenants, who can demand title to their apartments, give as an explanation for not exercising the right. Again the fear seems quite reasonable—Russia sets very high nominal tax rates, with an income tax that reaches 60 percent at an income of about $4,000, and a value-added tax of 28 percent, actually calculated more like a gross-receipts tax. (Much of the revenue goes to support the money-losing state enterprises.) When they get around to property taxes, the same spirit will probably prevail.

Then consider some of the reasons offered for the government's going slow on privatization, for not simply forming enterprises into corporations and issuing the shares to the current workers:

1) They might fall into the wrong hands—mafia types. Of course they might, but look whose hands they're in meanwhile.

2) Worker-owners might pursue foolish strategies, favoring current consumption over reinvestment. Again, quite possible. But so long as the shares are marketable, more efficient managers can buy them; and if a worker-managed firm goes bankrupt (a process few Russians have heard of), it will be recycled through bankruptcy into more adept hands.

3) The results might be unequal; some workers would get shares in winners, others in losers. Again, true enough. But one wonders why that would be worse than the present, which combines inequality with waste and *mafiozny*. To prevent inequality, the official policy seems to be that privatization should take the form of market sales at full economic value. But since there are only feeble credit institutions and only rudimentary market prices, these have largely stalled (less so in some of the non-Russian republics, such as Kazakhstan). In the name of a theoretically better but rarely achievable form of privatization, the government passes up the simpler device of just issuing stock to the current workers.

Meanwhile, most of what privatization occurs is in the form of insiders taking over, either managers or simply other people with good connections. So privatization, far from enjoying a populist cast or in any way burnishing the image of the market, is instead contaminated by the prevailing corruption.

The distrust of individual choice is staggering. Only recently did a decree permit an owner of factory land to sell it, and that decree only covers enterprises worth a 100 million rubles (roughly $1 million) or less. You still need a state permit to move to Moscow or St. Petersburg, and it won't be issued unless you convince a bureaucrat that there is some special "need" for your skills there.

Finally, the underpinnings for privatization are weak. The idea of neutral rules of law is scarcely grasped. For years, judges were notorious for their "telephone justice"—decisions based solely upon the Party's orders. As a sign of their lowly and pliable character, the judges stood while taking their telephone directives. Their job in criminal trials has been to secure conviction: Even today, if there are gaps in a prosecutor's case, the judge points them out and gives him a chance to fill it in. Acquittal is almost unknown—10 acquittals in a million cases, we were told.

While judges nowadays are understandably keen on the idea of judicial independence, they seem to have the words but not the music. Some judges, for example, believe it means that the judge decides as he likes; to have to follow precedent, some told us, would violate the judge's independence.

Another institutional gap is the lack of rudimentary honesty in the regulatory branches of the bureaucracy. One morning we were addressed by the chief judge of the Supreme Court of Arbitration, which despite its name is actually the court for most "business" lawsuits. These include suits against government agencies for wrongful withholding of government permits. At dinner the very same day, I mentioned the court—and this part of its work—to an American businessman. He laughed. Then he said, "Everybody knows the only way to get a permit is with a bribe." He could not imagine the court as a working remedy, at least for getting a permit in "real time," as he put it.

This is rather a gloomy report, I fear. I do see one positive feature: Hardly anyone is willing to put in a good word for socialism—the big exception is Mikhail Gorbachev. To some extent this may be a sort of herd instinct, and in conversations with Americans, it may sometimes be an effort to please one's guests.

But even if the market is far from established, the absence of an affirmative antimarket ideology has two pluses: It makes it less likely that the ruling elite would again silently allow the resumption of Stalinism in its pure form, and it removes the communist crusade as a basis for foreign adventures. Over the next few decades (or centuries), market-democracy may flourish.

Stephen F. Williams is a judge on the U.S. Court of Appeals for the District of Columbia Circuit. He and several other U.S. judges recently met with Russian judges and law professors in Moscow.

ALMS AFTER THE STORM

BY MARTIN MORSE WOOSTER

By now the Los Angeles riots have been covered by every magazine in America that could conceivably have an interest in the subject. *Premiere*, for example, did several articles about the effect of the riots on Hollywood; *The Spectator* had a piece by the London *Times*'s Los Angeles correspondent, William Cash, filed from the Playboy Mansion.

The riots were an invitation for journalists to examine both the problems of America's cities and the legacy of the Great Society. What was surprising was that few observers took the side of the rioters. In the 1960s, many journalists, fueled by the radicalism of that era, tended to assume that any unrest in the ghetto was an expression of political disgust, that the people who were looting and destroying were committing nonverbal political protest.

That sort of argument was rarely used this time. Far more typical on the left were the comments offered in the May 25 *New Republic*, a special issue devoted to the riots. "More than [the Watts riot of] '65, this was a war of each against all," said Harold Meyerson, executive editor of the leftist *L.A. Weekly*. "Even on the wacko nether-reaches of what remains of the American left, this will be a hard riot to romanticize."

"The urban uprisings of the '60s turned into orgies of looting and arson," added former *New Republic* editor Hendrik Hertzberg, "but they had, however fleetingly, some twisted hint of the *form* of political demonstrations. These riots had none of that....On television it all looked more like 'Mad Max' than the Bastille."

Even the journals of opinion that would, in the past, have reflexively sympathized with the rioters had to strain to support their position. The genteel editorialists at *The New Yorker* at first declared that there was a simple solution to the problems that resulted in the Los Angeles riots: more money. Being genteel, of course, they didn't use the word *money*; they instead declared in their May 11 issue that America had two options: "Either we can start to seriously confront the plight of our inner cities, and treat it as the national emergency we all know that it has become...[or] we can ignore the problem, and continue to humiliate and dehumanize the residents of our inner cities, and try to contain their rage by relying more and more on the prison system."

Four weeks later, *The New Yorker*'s editors realized that such a position was inadequate and decided to back up their views. The "single policy failure" that led to the riots, *The New Yorker* said, was "the abandonment of our cities by the federal government. Since 1981, direct federal spending on cities has declined by more than sixty percent. The inevitable result has been a reduction in public services, hastening the flight of the black and white working and middle classes to the suburbs, and leaving behind an ever denser concentration of poverty and unemployment."

As evidence, *The New Yorker* quoted two men. One, a gang member named "G-Roc," didn't have very much to say; the other, a British social critic named Stuart Hall, wrote that the rioters were people excluded from society, living in poverty so long that they "are permanently out of sight of the society at large: living behind God's back." "How much longer do we plan to keep millions of Americans living behind God's back?" *The New Yorker* asked.

Aside from the interesting theological questions raised by this analysis (I wasn't aware that God even had a back), what is important about the *New Yorker* piece is to whom the editors did *not* turn for analysis: the black civil-rights establishment. Indeed, the major losers in the post-riot debate were the National Urban League, the NAACP, the National Urban Coalition, and other main-line civil-rights organizations. Whatever the Los Angeles rioters wanted, it was not affirmative action, quotas, or winning litigation conducted under Title VII of the Civil Rights Act of 1964.

In the May 16 issue of *National Journal*, reporter Rochelle Stanfield interviewed prominent blacks, including critics of the civil-rights establishment. "The civil rights struggle in America is over and it is won," economist Walter Williams told Stanfield. "The civil rights organizations can die and they are dying. The NAACP is going through the process now. It is dying."

The civil-rights establishment countered by claiming that they were not quite dead yet, but that crime, poverty, and the underclass were messy issues best discussed behind closed doors. "We have not been able to get a handle" on how to deal with the problems of the inner city, said NAACP national legislative director

Wade J. Henderson. Crime and poverty, added Eddie Williams, president of the Joint Center for Political Studies, a think tank that studies political and economic trends in the black community, were like "a drunk or a drug addict in the family" whom you want to protect by hiding from public eyes.

But such discretion, however honorable, has kept the older civil-rights groups silent on the issues that cause most harm to African-Americans. What use do these groups serve if they have no answers to the most troubling problems blacks face?

Let us return to *The New Yorker*'s argument. It is true that federal spending for cities declined substantially in the 1980s. Indeed, the only two federal programs eliminated in the Reagan or Bush administrations, general revenue sharing (in 1986) and urban development action grants (in 1989), were programs that gave cities federal tax dollars.

Still, as *Human Events* reports in its May 30 issue, total government spending for the poor increased steadily in the '80s. Measured in constant 1991 dollars, federal welfare spending, including all government programs specifically aimed at the poor (but not counting Social Security or Medicare) was $1.59 trillion in the 1965-1980 period; in 1981-89, the federal government spent $1.44 trillion fighting poverty. In other words, Ronald Reagan spent nearly as much money on welfare in eight years as Lyndon Johnson, Richard Nixon, Gerald Ford, and Jimmy Carter did in 15.

Moreover, total city spending also increased in the '80s. In 1980, cities spent $157.4 billion (in 1989 dollars). In 1989, cities spent $198.9 billion. Whatever problems cities have, they are not due to a lack of money.

It is also true that middle-class Americans are fleeing to the suburbs, ensuring that cities, because of their smaller populations, have much less clout than they used to have. In a hard-hitting cover story in the July *Atlantic Monthly*, American Enterprise Institute fellow William Schneider observes that 1992 will "see the first presidential election in which a majority of the voters will in all likelihood be suburbanites...we are now a suburban nation with an urban fringe and a rural fringe."

This move to the suburbs is nonracial. The Los Angelenos who moved to Orange County tend to be white; the Washingtonians who moved to Prince George's County, Maryland, tend to be black. And more Americans want to leave the cities; polls find that 43 percent of Bostonians, 48 percent of Los Angelenos, and 60 percent of New York City residents would flee town if they could. Only 19 percent of the Americans who responded to a 1989 Gallup Poll said they preferred the city to a suburb or the country.

Suburbanites, says Schneider, believe that they can better control their tax dollars when they leave the city. "Suburban voters buy 'private' government—good schools and safe streets for the people who live there," he writes. Suburbanites "resent it when politicians take their money and use it to solve other people's problems, especially when they don't believe that government can actually solve these problems." Moreover, suburbanites tend to own property, which "makes them highly tax-sensitive." The only taxes that win voter approval, says Schneider, are ones disguised as user fees.

The cities are Democratic bastions with declining populations; the suburbs, Republican redoubts that are steadily attracting more people. So if Bill Clinton calls for billions more for the cities, the result might well be a shift in votes to George Bush. And it is doubtful that a massive infusion of federal funds would end the patterns of misrule and cronyism that cause people to flee the city. Would Detroit's population soar if the city's mayor, Coleman Young, acquired $10 billion in additional federal aid?

Two forces that might improve inner cities do not involve federal funds. America's 40,000 black churches, *Policy Review* Assistant Editor Tucker Carlson observes in that magazine's summer issue, do a great deal to help troubled African-American men avoid crime and violence and become responsible, productive citizens. According to studies conducted by the National Bureau of Economic Research, church attendance is a more accurate predictor of whether an urban black man will become a criminal than whether he grew up in a single-parent household, whether he lived in public housing, or whether his parents received welfare. "Black men who go to church," reports Carlson, "are less likely to commit crimes, be unemployed, use drugs, or drop out of school."

Another thing that would help is additional choices for those in the inner city. People wealthy enough to live in the suburbs live in a world of ceaseless variety. They can move to areas that have the best schools; they can live in towns small enough to have police who can swiftly respond to crimes. Poor people have few choices. They are stuck with decaying schools, police whose precincts are far away from their homes, public housing projects left to rot. The poor are also harangued by nannies—the welfare caseworker, the central-office school administrator, the public-housing supervisor—who make huge salaries telling the poor what to do. The poor live in a world where no one, except a GS-11 career regulator, would find any pleasure.

Additional aid for the inner cities will do little good unless the bureaucracies that hold the poor in bondage are streamlined or eliminated. Without such reforms, most of the money to the inner city will continue to go to what entrepreneur and activist Robert Woodson has called "poverty pimps"—the sociologists, bureaucrats, politicians, foundation officials, and union leaders who thrive at the expense of the unfortunate. The poor need choices—school choice, housing vouchers, and other reforms that transfer power from central offices to the poor themselves.

The poor do not need more rules or more nannies. They need what they have not had for 50 years—the respect that is a natural consequence of freedom to control their own destinies. Until the residents of the inner cities are as free as their counterparts in the suburbs, future riots like those in Los Angeles are as inevitable as the heat of summer and the chill of winter.

Contributing Editor Martin Morse Wooster is a writer, editor, and researcher living in Silver Spring, Maryland.

FRACAS IN CARACAS

BY CARLOS BALL

Five months after last February's failed military coup, the previously unknown Lt. Col. Hugo Chávez is at the top of Venezuela's popularity polls. The coup leader is in a prison just outside Caracas, where he was moved to avoid constant manifestations of popular support in front of the army base in the city where he was held initially. He is awaiting a military trial that no one is in much of a hurry to start.

Chávez's amazing popular appeal is based on his promises to wipe out the special privileges and widespread corruption of the last four administrations, to remove the grotesque concentration of wealth in the hands of the local *nomenklatura*, and to reverse the precipitous drop in the standard of living for the lower and middle classes. He has also stirred up the people by accusing President Carlos Andrés Pérez of selling out to Colombia in negotiations over control of the oil-rich Gulf of Venezuela. Although Chávez probably would have turned out to be a leftist demagogue, he is seen as a patriotic champion of forgotten values.

After three decades of democratically elected governments, including four run by Pérez's Acción Democrática Party and two by the Copei Party's Christian Democrats, the people are fed up with politicians. They are tired of the government's inability or unwillingness to combat street crime, remedy mushrooming bureaucratic corruption, improve horrendous public services, or bring order to the courts.

The failure of Pérez—who, like Mikhail Gorbachev, is far more popular abroad than in his own country—has been depicted by both the domestic and international news media as the flop of a free-market program. But Venezuela's system under Pérez is really a mixture of mercantilism, corporatism, and IMFism. The test of a free market is whether tens of thousands of small entrepreneurs spring up to take advantage of new freedom and wider economic horizons. That certainly has not happened in Venezuela, and it won't without fundamental reforms to protect property rights and establish the rule of law.

Pérez, who nationalized Venezuela's vital oil industry during his first term as president in the mid-'70s, was supposed to be a new man when he came back to the presidency for another five-year stint in February 1989. In his earlier incarnation, he did much to derail a vibrant nation with emerging entrepreneurial talent, a strong currency, an inflation rate of around 2 percent, and one of highest foreign-investment rates in the developing world.

Venezuela needed a Ludwig Erhard, a Margaret Thatcher, or a Václáv Klaus. Instead it got an odd minestrone of party comrades, Keynesian academics, and young technocrats with successful experience in the private sector.

Pérez turned Venezuela into a socialist nightmare of price controls, import substitutions, and protectionism. He made the central bank a cash cow for the treasury, decreed nationwide salary increases, and enforced central planning. His policies created widespread corruption, since every private endeavor suddenly required multiple permits and licenses from a burgeoning bureaucratic state. The succeeding administrations of Christian Democrat Luis Herrera Campins and Social Democrat Jaime Lusinchi brought more economic regulation and worse corruption.

By 1989, Venezuela needed a Ludwig Erhard, a Margaret Thatcher, or a Václáv Klaus. Instead, we got a second edition of Pérez. He brought to his cabinet an odd minestrone of party comrades, Keynesian academics, and young technocrats with successful experience in the private sector. In spite of belligerent opposition from his own party and the unions (which make up the backbone of Acción Democrática), Pérez accomplished some impressive reforms during the first couple of years: the reduction of government subsidies, tariffs, and corporate taxes; membership in the General Agreement on Tariffs and Trade; less discrimination against foreign investment; the shrinking of red tape; decentralization of political power through direct election of mayors and state governors; and elimination of controls over currency exchanges, interest rates, and most prices of goods and services.

The government privatized some state-owned enterprises: the smaller state banks, the international airline, sugar mills, a few hotels. Most importantly, it sold off the telephone company and the ports, agencies that had managed to cancel out the country's geographical advantages by making communications with Venezuela as difficult and costly as if we were in the middle of Africa.

On September 16, 1991, a *New York Times* headline read: "Venezuela, Once Sick, Is Booming." The article described the fantastic growth of the Venezuelan economy under Pérez's free-market policies. Suddenly, Venezuela was supposed to be out in front of Latin American development, outperforming Chile, Mexico, and Argentina in economic growth, with a per capita gross domestic product increase of 5.1 percent in 1991.

But these numbers are misleading.

The GDP figures include government expenditures that are often unrelated to the people's well-being: the shoddy output of money-losing state monopolies and the high cost of dreadful government services in health care and education. The common Venezuelan, with an average salary of $100 a month, can afford only one square meal a day; the minimum salary's purchasing power has dropped 56.5 percent since 1987. Despite the huge gain in GDP reported by the Central Bank for 1991 (10.4 percent), the real non-oil GDP per inhabitant remained 21.5 percent below its 1977 level.

Furthermore, the arrogant Pérez government made little effort to sell the benefits of a free market, perhaps because there was no real conviction behind its program. It privatized assets to obtain funds, get rid of money-losing enterprises, and please the International Monetary Fund so it could obtain further credits. The public perceived privatization as the sale of government assets to the same groups that had long benefited from close political connections, plus a few foreigners who saw the advantages of going into partnership with the government or buying into a protected monopoly such as the telephone company.

The key to the success of Margaret Thatcher's privatization program in Britain, and the main premise behind Václáv Klaus's "voucher" privatizations in the Czech Republic, was the idea of returning to the people what does not belong to the state. The sale of public housing in Britain and the weekly auctioning of small state enterprises by the Prague government created property owners overnight: small "capitalists" with a stake in their community, with something worth working for and passing on to their children. The success of privatization depends on maximizing the number of shareholders, rather than maximizing the income from the sale of government assets.

Venezuela chose the opposite path. The government's timid privatization program yielded a hefty $1.9 billion in 1991. It found that the way to get the best possible price for state enterprises is to include, along with the transfer of property, some of the monopoly privileges that every government agency enjoys. But the point of privatization is to open industries up to market forces, not simply to transfer monopolies.

If Pérez wanted to sell the public on privatization, he would have started with the dreadful government services that make a significant difference in the average citizen's life. Consider Venezuela's fraudulent public-pension system, which after 40 years of taxing workers has reserves of barely $300 million with which to pay retirement benefits. By contrast, Chile's privatized pension system, in a much smaller country and in just over a decade, has savings of more than $11 billion. Moreover, this money is in the individual accounts of workers and beyond the reach of unscrupulous politicians.

The government should also be looking at the huge tracts of arable land that belong to the Agrarian Reform Institute and other state agencies; the inefficient public hospitals, schools, and universities; a petrochemical industry that has kept fertilizers beyond the reach of farmers; and the monopolistic boards that purchase cotton, sugar, coffee, and cocoa at state-fixed prices. Instead, following the IMF's lead, Pérez has increased charges for government services, created new taxes, and raised gasoline prices. The higher fuel prices, although still low by world standards, have had a huge effect on the transportation costs of common workers.

In hindsight, the popular support enjoyed by last February's attempted coup should not have been such a surprise. Venezuela was regarded as one of Latin America's most stable democracies, but, as economist P. T. Bauer has pointed out, "people consider the freedom of the market—such as choice in employment, movement between places and jobs, and setting up businesses—of greater moment than the extent of suffrage and freedom of political speech. Second, historical experience suggests, though the evidence is not conclusive, that democracy is more likely to grow out of the market than the market out of democracy....What matters for a market system is not elected government but limited government."

In Venezuela, the property rights of citizens mean nothing in the face of political expediency. The judicial system has been the most corrupt branch of government since 1969, when the Social Democrats pushed a law through Congress changing the way judges are appointed. The law was designed to ensure that most judges would come from the party's ranks and that their interpretation of the law would be in tune with the party's policies. Every Venezuelan knows that he has no chance of successfully challenging in court someone with greater political influence. In cases where neither side has a political edge, the winner is often the one able to pay for a more expensive lawyer, who can then afford bigger bribes.

The Venezuelan Constitution gives the people every conceivable "social right"—housing, health care, free education, paid vacations—mandating a welfare state that $12 billion in annual oil exports can no longer pay for. Its passing mention of economic rights, Article 96, was "suspended" for 30 years, from the day the constitution was enacted in 1961 until last year, allowing the executive virtually to rule by decree on economic matters.

As philosopher Karl Popper has noted, "No state can have the duty to build up a working economic system. But every state has the duty to build up a rule of law....For without the rule of law, freedom is impossible; and without the rule of law, a free market is equally impossible."

Markets cannot be centrally planned or macroeconomically fine-tuned by local and international bureaucrats. They only evolve and thrive where the people are free to make and dispose of their personal wealth as they see fit—that is, where property rights are respected. If politicians keep insisting on putting the cart before the horse, Venezuela will remain, like Brazil, a country with a brilliant future.

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America in Black and White

BY KARL HESS

Two Nations: Black and White, Separate, Hostile, Unequal, by Andrew Hacker, New York: Charles Scribner's Sons, 266 pages, $24.95

The Disuniting of America: Reflections on a Multicultural Society By Arthur M. Schlesinger Jr., New York: W.W. Norton & Company, 169 pages, $14.95

"UM... DO YOU KNOW 'AMAZING GRACE'?"

There were two major surprises for me in reading these two books. First, I did not previously believe I would ever read anything by Arthur Schlesinger Jr. that would not offend me to the depths of my libertarian being. Second, until reading Andrew Hacker's book, I did not believe that any single volume could compact into itself almost all of the smugness, scruffiness, asininity, self-righteousness, historical hysteria, and platitudinous, base, loutish, laughable, and mind-boggling image juggling that has come to be the scrofulous trademark of what most of us think of when we think of modern, Big Brother-Big Government liberalism. Hacker, who teaches political science at Queens College in New York, handles it neatly.

To cut to the chase: Schlesinger believes that the American melting pot works. His entire book is a paean of praise for this remarkable American accomplishment, the making of Americans out of the most diverse population on earth, while still offering plenty of elbow room for separate or even idiosyncratic cultural identities and practices. Now there's a liberal you could learn to love.

The liberal you should learn to loathe sees America as a failed experiment in which non–Anglo-Saxon immigrants "are allowed entry on the condition that they serve as cheap labor and live unobtrusively. Many will tell you that, now, as in the past, they find their religions scorned, their customs ridiculed, and their features caricatured." Now listen, the whole damned book is like that!

Heard anything nice about Asians lately? Well, "right now it is science and technology where Asian talents are being co-opted." Co-opted? Like poor Mr. Wang and his exploitable little company?

Remember the bad old days when Soviet "historians" were claiming that everything from basketball to aviation was invented, actually, in the USSR? Hacker has his own version of this sort of fantasizing, a version reminiscent of the claim that Beethoven was a German-African because he resembled one. Hacker's crazed addition is based on the notion that, since Alexander Graham Bell worked with an Afro-draftsman named Lewis Howard Latimer, Latimer "should be recognized as the coequal inventor of the telephone."

Or try this one: "The fact that some Pre-Columbian sculptures have what could be seen as Negroid features strengthens the supposition that it was Africans who first sailed across the Atlantic to America."

Or did you think that South Africa was the end of the racist line? Hah. "America's version of *apartheid*, while lacking overt legal sanction, comes closest to the system even now being reformed in the land of its invention."

Or did you think that the European heritage merely "imposes" the disciplines of science, the music of the classical era, and other oppressive stuff like that? Well, you are partly correct. But to hone Great Truth to its sharpest Hackerian edge you must consider that "if the European heritage imposes the regimens of standardized tests, the African dream inspires discursive storytelling celebrating the soul and the spirit."

Is there hope? Not really. "What other Americans know and remember is that blacks alone were brought as chattels to be bought and sold like livestock. As has been noted, textbooks now point out that surviving slavery took a skill and stamina that no other race has been called upon to sustain. Yet this is not what others choose to recall. Rather, there remains an unarticulated suspicion: Might there be something about the black race that suited

HENRY PAYNE

them for slavery? This is not to say that anyone argues that human bondage was justified. Still, the facts that slavery existed for so long and was so taken for granted cannot be erased from American minds. This is not the least reason why other Americans—again, without openly saying so—find it not improper that blacks still serve as maids and janitors, occupations seen as involving physical skills rather than mental aptitudes."

Most of those "other American" minds, I feel, could be loosely packed into the cloaca of Andrew Hacker's hate- and spite-filled head.

Well, maybe there is some hope. But "there is scant evidence that the majority of white Americans are ready to invest in redistributive programs, let alone give of themselves in more exacting ways." This notion of redistribution is not further defined; it just lies there in this hog wallow of a book, like a great flatulence waiting to boom forth. Could it mean 40 acres and a mule? Or 400 acres and a million bucks? Or the sort of state socialism that has collapsed everywhere but in the perfervid dreams of American college professors such as Hacker? The solution of people's giving of themselves "in more exacting ways" is an altruistic vagueness that could have been written by an Ayn Rand villain.

The only realistic hope is futuristic and does not lie with the broad possibilities of human action. It depends on fecundity.

"Liberals also hold a theory about the sweep and tenor of human history. While seldom seen as a coherent philosophy, its premises occasionally become explicit. One such tenet is that the era of white dominance is coming to an end. If nothing else, birthrates dictate that the approaching century will belong to people of color...."

Come to think of it, if that's the case, why is Hacker so hacked off? He just needs to wait. Thank goodness he opted for the Ultimate White Liberal Guilt Trip—otherwise a libertarian might think that there is some natural limit to the idiocy of advanced academic, modern liberalism. There is not.

Incidentally, you can imagine what Hacker thinks about such people as Thomas Sowell and Shelby Steele. They, in his view, "assure [other conservatives] that blacks have played the victim too long and must be judged by the same standards as other Americans." Boy, talk about uppity attitudes!

Hacker goes on to show why he doesn't bother with arguments contrary to his own. "Real issues like employment and welfare can be deflected into a debate over Charles Murray's formulations versus those of William Julius Wilson...." Therefore, the reader is asked not to expect Hacker to advance "proposals for reducing discrimination and ending prejudice." He leaves it to "others to mention measures they feel can break down racial barriers, and bring more amity and equity to the racial sphere." These others will have a hard time of it, however, because "racial tensions serve too many important purposes to be easily ameliorated, let alone eliminated or replaced."

Now, let us turn to Arthur M. Schlesinger Jr., swimming happily upstream against the toilet tide of Hacker's hopelessness. I hereby swear that, henceforth, no matter how loony the details of any Schlesinger statement on public policy, I will remember this slim volume and its primal understanding of the American melting pot, and I will give him the benefit of any possible doubt and even a hurrah or two.

To Hacker it is essential to teach African culture to every American. (Whites, he says, do not need such special attention because "they are already privileged [and] their separate stories do not need special recognition.")

To Schlesinger, making such a big deal out of multicultural history is "underdog history, designed to demonstrate what Bertrand Russell called 'the superior virtue of the oppressed' by inventing or exaggerating past glories and purposes. It may be called compensatory history."

Hacker feels that the human race originated in Africa. He skirts the notion of civilization, which seems to have taken hold most dramatically in the Middle East. As Schlesinger puts it: "Many historians and anthropologists regard Mesopotamia as the cradle of civilization....If there were as many Iraqi-Americans as there are black Americans, we would no doubt have a campaign for an Iraqocentric curriculum—a campaign that could mobilize more substantial historical evidence than Afrocentrists have produced."

Where Hacker is beguiled by African soul and spirit and ways of learning, Schlesinger is offended. "But unless one is to yield to biological determinism and accept that the possession of a dark skin creates a unique black mentality and character, it is hard to see what living connection exists between American blacks today and their heterogeneous West African ancestors three centuries ago. And biological determinism...is of course just another word for racism...exactly the same theory apologists for slavery used in the American South before the Civil War. It is ironic to hear blacks using the same theory today."

Schlesinger quotes Frederick Douglass on much the same matter: "No one idea has given rise to more oppression and persecution toward the colored people of this country than that which makes Africa, not America, their home. It is that wolfish idea that elbows us off the sidewalk, and denies us the rights of citizenship."

As to whether a multicultural, or Afrocentric, education would improve the self-esteem of black children, Schlesinger says, "there is no scientific study showing any correlation between ethnic-studies programs and the self-esteem of ethnic groups."

Schlesinger continues, "The New York curricular-revision task force [a favorite of Hacker] claims that the monocultural Eurocentric bias has 'a terribly damaging effect on the psyche of young people of African, Asian, Latino, and Native American descent.' The idea that Europe has produced one homogeneous culture seems rather weird. What is so 'monocultural' about the wild mix of people from Reykjavik to Athens and from Lisbon to Omsk? Can Henry Adams and the person he once described as 'a furtive Yacoob or Ysaac still reeking of the Ghetto, snarling a weird Yiddish to the officers of the customs' be usefully regarded as products of a single culture? Churchill and Hitler, St. Francis and Machiavelli, Pericles and Dracula—monocultural?"

Far from improving self-esteem, an Afrocentric education will likely have

a damaging effect. "If some Kleagle of the Ku Klux Klan wanted to devise an educational curriculum for the specific purpose of handicapping and disabling black Americans, he would not be likely to come up with anything more diabolically effective than Afrocentrism."

Schlesinger suggests how multiculturalism can expand and get totally out of hand by citing the case of the Harvard historian Stephen Thernstrom, who gave up his population-history course because of a firestorm ignited by his "racist" use of the term *Indians*, instead of *Native Americans*, and his reference to "Oriental" religion, which was seen as "colonial and imperialistic" in a six-page student denunciation of the professor. "The episode reminds one," Schlesinger writes, "of the right-wing students who in Joe McCarthy's days used to haunt the classrooms of liberal Harvard professors (like me) hoping to catch whiffs of Marxism emanating from the podium."

A sad end of all this, he concludes, is that "the cult of ethnicity defines the republic not as a polity of individuals but as congeries of distinct and inviolable cultures. When a student sent a memorandum to the 'diversity education committee' at the University of Pennsylvania mentioning her 'deep regard for the individual,' a college administrator returned the paper with the word *individual* underlined: 'This is a *red flag* phrase today, which is considered by many to be *racist*. Arguments that champion the individual over the group ultimately privileges [sic] the 'individuals' belonging to the largest or dominant group.' "

To Schlesinger, bless his almost classically liberal heart (certainly in comparison to hopeless, intolerant Hacker), there is hope:

"The genius of America lies in its capacity to forge a single nation from peoples of remarkably diverse racial, religious, and ethnic origins. It has done so because democratic principles provide both the philosophical bond of union and practical experience in civic participation. The American Creed envisages a nation composed of individuals making their own choices and accountable to themselves, not a nation based on inviolable ethnic communities. The Constitution turns on individual rights, not on group rights. Law, in order to rectify past wrongs, has from time to time (and in my view often properly so) acknowledged the claims of groups; but this is the exception and not the rule.

"Our democratic principles contemplate an open society founded on tolerance of differences and on mutual respect. In practice, America has been more open to some than to others. But it is more open to all today than it was yesterday and is likely to be even more open tomorrow than today. The steady movement of American life has been from exclusion to inclusion."

Karl Hess is a writer living in Kearneysville, West Virginia, while he awaits a heart transplant and works on an autobiography.

Democracy in Dixie

BY JOHN HOOD

The Vital South: How Presidents Are Elected, by Earl Black and Merle Black, Cambridge, Mass.: Harvard University Press, 400 pages, $29.95

Political punditry is half guesswork, half rumor mongering, and half brazen fabrication—and almost always less than the sum of its parts. Nevertheless, for decades there has been a steady stream of political experts who wish to inform punditry with a little more substance. They seek to divine systemic explanations for and predictive principles from the outcomes of American political contests, even though our politics often stubbornly refuses to add up.

In recent years, the focus has been less on personalities (as in Theodore H. White's classic *Making of the President* series) and more on categories. Look at the latest additions to the political bookshelf. Erstwhile Republican operative Kevin Phillips examines the electorate on the politics of rich and poor. Thomas Byrne Edsall and Mary D. Edsall see a chain reaction originating in racial division. American Enterprise Institute scholar and *Atlantic Monthly* contributing editor William Schneider foretells the dawn of suburban vs. urban politics. Gender, generation, and ideology also sustain many a political tome.

These are all productive ways of looking at political questions. But during a presidential election year, our peculiar electoral college system dictates yet another focus: states and regions. The fact remains that in all but two states, electoral votes are awarded on a winner-take-all basis. What really matters in presidential contests is winning states, not winning demographic categories or zip codes.

Neither ideology nor competence fully explains a regional candidate's appeal. Sometimes birthplace, accent, and rhetorical style still matter to voters; Texas suburbanites aren't interchangeable with Maine suburbanites, nor do young Californians react the same way to candidates as do young Carolinians. State patriotism and regionalism, much like the nationalism unleashed with the collapse of the Soviet Empire, defy the forces of modernity and resist easy explanation.

All of which is a long way of saying the new book by political scientists Earl and Merle Black is a good read. *The Vital South: How Presidents Are Elected* isn't titled simply for effect. The Blacks argue convincingly that during most of the 20th century, at least, when a party had a Solid South behind it, it always won. From 1932 to 1948, the South went solidly Democratic, as did the country. From 1968 to 1988, the South went solidly Republican, as did the country (with the post-Watergate exception of 1976). During the interim between the Solid Democratic South and the Solid Republican South, the two parties actively competed in and split the vote of the South, leading sometimes to close contests (1960) and other times to landslides (1956 and 1964).

There are really two books here, perhaps reflecting the different strengths of the two Blacks. One book is essentially a statistical manual for political professionals and journalists. Few other readers will be able to survive the onslaught of line graphs, tables, plots, and maps that amplify the Blacks' insights into recent political trends. But if you do, you'll see how difficult it will be for Clinton, no matter how much momentum he takes into the home stretch of the presidential campaign, to put together an electoral vote majority—without the South, that is.

Assume that Clinton wins every state Michael Dukakis did in 1988, as well as the border and Western states where Dukakis polled at least 45 percent. To win, he will still need to beat Bush in California, Pennsylvania, Illinois, and a couple of other large, previously Republican-leaning states. Now with fellow Southerner Al Gore of Tennessee on the ticket, Clinton might expect more gains in the South. But the trends the Blacks cite will be hard even for the Democrats' all-South ticket to overcome.

The other book the Blacks have written is an eminently readable, entertaining account of presidential elections held since 1860, with particularly insightful discussions of the competitive races of the 1950s and 1960s. Of interest to Perot nostalgics are the elections of 1860, 1912, 1948, and 1968, when the normal two-man race gave way to more interesting combinations. In 1860, Republican Abraham Lincoln won the presidency with a scant plurality of the popular vote in a four-man field including Stephen Douglas of the Northern Democrats, John C. Breckenridge of the Southern Democrats, and John Bell of the Constitutional Union Party.

This election, and the ensuing Civil War, set up the patterns of presidential politics—a relatively solid North and Republican-leaning West outvoting a solid Democratic South—that gave Republicans an advantage for over half a century. The pattern was broken only sporadically by scandal or, in the case of Woodrow Wilson's victory in 1912, by a challenge to Republican nominee William H. Taft by disgruntled Republican Teddy Roosevelt running on the "Bull Moose" Progressive ticket. The pattern was finally shattered by the Depression and the ascension of Roosevelt's cousin, FDR, to the White House in 1932.

The Blacks pay attention to more often-ignored but crucial issues than I can list here, but one is the changing profile of the Republican Party in the South during the 20th century. Since the Civil War, there had been two major blocs within the small party. In the Deep South states of Alabama, Mississippi, Louisiana, South Carolina, and Georgia, blacks—the victims of Democratic perfidy—often dominated state parties. In the Peripheral South states, there was a Republicanism based in anti-secessionism and resentment of traditional Democratic elites who controlled state politics

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and power. This second group of Republicans, primarily whites, used to be found only in the mountains of North Carolina, Tennessee, Virginia, and Arkansas, and eventually in a few urban enclaves in Florida, Texas, and Alabama. But as the century progressed, this tradition of Republicanism grew, especially in mill towns and the nascent suburbs of the region's few big cities. These Republicans tended to be individualistic, antigovernment, and friendly to business.

When Harry Truman moved away from the Democratic Party's historical resistance to civil rights, however, conservative white Democrats began their gradual shift toward the GOP, a process that still continues. These new Republicans have very different priorities than the traditional wing of the party, not only on race but on other issues. They helped pull the Southern Republican parties more toward social-issue concerns. Conflicts between the two groups persist to this day, especially in the Peripheral South.

The Blacks are at their best when discussing the racial politics of the 1950s and 1960s. For liberal Democrats, they are exceptionally fair-minded. They correctly point out that Barry Goldwater, whose statements against the 1964 Civil Rights Act helped him win Deep South votes (but not Peripheral South votes), was not a racist. He had supported previous civil rights bills but opposed the 1964 measure's intrusion into private business decisions. His pitch to Southerners was carefully worded, even libertarian—though the Blacks argue that he and his advisers knew they were simultaneously playing to racist sentiment.

By the mid-1960s, most white Southerners had moved away from their previously held segregationist views toward a position "somewhere in between segregation and integration" that reflected the moral triumph of the civil rights movement. Republicans such as Dwight Eisenhower and, later, Richard Nixon and Ronald Reagan capitalized on this shift by calling for equal opportunity before the law while opposing (at least during their campaigns) government actions such as forced busing and quotas. Both segregationist and integrationist Democrats found themselves outside the emerging Southern (and national) consensus.

The Blacks are quick to concede that many issues besides civil rights are at work in the Southern shift toward the GOP. But certainly Republican opposition to quotas, busing, and other federal government impositions was a crucial component of the "Southern Strategy." As Theodore White predicted in *The Making of the President 1960*: "If [Republicans] adopt a civil rights program only moderately more restrained than the Democrats, the South can be theirs for the asking; and with the South...could come such solid addition of electoral strength as would make Republicans again, as they were for half a century, the majority party of the nation and the semipermanent stewards of the national executive party."

Majority-party status still eludes the GOP, but White's prediction has substantially come true. The party's previous period of executive dominance trailed off after a vigorous third-party challenge in 1912 and poor Republican stewardship of the economy during the 1920s. This year we have both. We had a brief, but potentially damaging, challenge to Bush from a third-party candidate. And we continue to suffer the economic aftershocks of Bush's new taxes and reregulation. Democrats might as well celebrate that, since they will find little else to smile about in *The Vital South.*

Contributing Editor John Hood is editor of Carolina Journal *and a columnist for* Spectator *(N.C.) magazine.*

A Lesson in Discrimination

BY RAOUL LOWERY CONTRERAS

Out of the Barrio: Toward a New Politics of Hispanic Assimilation, by Linda Chavez, New York: Basic Books, 209 pages, $22.95

Hispanics in America insist on speaking only Spanish and want their children taught exclusively in Spanish. Unlike all previous immigrant groups, they won't assimilate. They drop out of school. They live in abject and perpetual poverty.

So believe vast numbers of Americans. The believers include most "Anglos" (Americans of white European backgrounds), most blacks, and many self-styled Hispanic leaders, who run organizations few Hispanics have heard of.

One American, however, knows better. She is Linda Chavez, a senior fellow at the Manhattan Institute, a former executive director of the U.S. Commission on Civil Rights, a Republican candidate for the U.S. Senate from Maryland in 1986, and former editor of the award-winning magazine *American Educator.* In *Out of the Barrio: Toward a New Politics of Hispanic Assimilation,* Chavez refutes the widely held perception that Hispanics can't make it without government assistance.

Chavez refutes the myth that Hispanics need government help to succeed.

Chavez's book busts many politically correct myths about Hispanics. For example, in a chapter on bilingual education, she notes: "In several classrooms, I observed very young Hispanic children working together

BACHRACH

at their tables speaking English among themselves as their teachers gave directions in Spanish." Chavez's observations are intended to ruffle feathers, but she backs up her points with careful documentation; the book is profusely footnoted.

Chavez's scholarly approach distinguishes her from her detractors. *Out of the Barrio* has prompted a wide-ranging attack by Mexican-Americans and New York Puerto Ricans in op-ed pieces, in magazine articles, and on talk shows. Almost without exception, these anti-Chavez diatribes have three things in common: First, they are written by people associated with the 1960s War on Poverty or by their students. Second, they do not quote from *Out of the Barrio* or counter Chavez's evidence with other data. Third, Chavez's critics tend to attack her personally.

Chavez's detractors dislike her as one of the highest ranking women in the Reagan administration. They also vilify her because she briefly served as the paid president of an organization called U.S. English. (To her credit, she resigned that position when racist memos written by its founder surfaced.) But their main problem with her is that she dares to buck the Hispanic establishment.

It was Chavez's stint as executive director of the civil rights commission that opened her eyes to the influence of Hispanic groups that have a strong presence in Washington and the media. Unfortunately for Hispanics, the power and money behind these pressure groups are not Hispanic. They are white, Anglo-Saxon, Protestant, and liberal.

In 1968, Chavez writes, a Ford Foundation study concluded that Mexican-Americans were, in contrast to the black community, "disorganized and fragmented," and in need of a national organization to serve their political and social interests. Toward that end, the foundation helped organize the Mexican American Legal Defense and Education Fund (MALDEF), patterned after the NAACP's Legal Defense Fund, and the Southwest Council of La Raza, which later became the National Council of La Raza. Using annual reports and IRS filings, Chavez tracks Ford Foundation contributions of $9.6 million to the National Council of La Raza and $14.2 million to MALDEF since 1968.

Thus, Chavez notes, liberal WASP money created an artificial Hispanic leadership in an attempt to duplicate the black organizations that had been instrumental in the civil rights revolution of the '60s. She points out the fallacy of such imitation: Hispanics have never faced the de jure segregation in education, housing, and politics that blacks have. Nor do Hispanics have a historical background of slavery or of coming to these shores in chains. Moreover, dating from the 16th century in New Mexico, Hispanics have had their own economic, religious, and civic institutions.

The Hispanic pressure groups do not command the loyalty of their supposed constituents. "Few Mexican Americans could name the leader of even one of the major Mexican American policy groups—or perhaps the names of the groups themselves," Chavez declares. "These groups consider themselves to be on the cutting edge of social change, but the future they envision for Hispanics is one in which Hispanics attain permanent entitlement status based on ethnicity."

The quest for entitlements is based on an image of poverty and oppression that is at odds with reality. The most significant chapter in *Out of the Barrio* is titled "An Emerging Middle Class." It opens with a quote from one of the leaders appointed by the Ford Foundation: "We [Hispanics] became the poorest of the poor, the most segregated minority in schools, the lowest paid group in America and the least educated minority in the nation." Chavez writes, "This perception has not changed substantially in twenty-five years. And it is wrong."

Chavez rightly distinguishes among Mexican-Americans, Cubans, Puerto Ricans, and immigrants from Central and South America—distinctions that most Hispanic "leaders" and their media allies fail to recognize. For example, less than a quarter of Mexican-Americans live below the poverty line, in contrast to 33 percent of Puerto Ricans and only 10 percent of Cubans. Furthermore, Cuban refugees by 1980 included 200 millionaires; there were 18,000 Cuban-owned businesses—concentrated in Florida but located throughout

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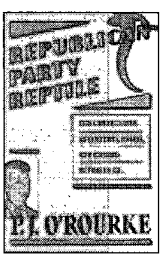

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the United States. No immigrant group in history has accomplished as much or assimilated as quickly as these Cubans, many of whom came by rowboats and rafts across 90 miles of water, facing death with every wave and gust of wind.

Most Cuban-Americans are immigrants. By contrast, Mexican-Americans (65 percent of all Hispanics) are mostly native born (66 percent of them), as are all Puerto Ricans. If poverty is a problem, it is in these groups. Chavez devotes a separate chapter to the Puerto Ricans, in which she examines the economic and social degradation of the welfare-savvy New York Puerto Rican community and contrasts it with other Puerto Rican communities in the Northeast that are mostly prosperous.

She writes, "The illegitimacy rate for Puerto Rican babies inches up each year and is now over 50 percent. In 1960, 85 percent of all Puerto Rican males worked; three decades later, only 69 percent were in the labor force. Puerto Rican women swell the welfare rolls of New York City; and many are second generation welfare recipients. Almost half of these women have never held a job." Puerto Ricans, Chavez tells us, are well-versed in welfare systems: "About 70 percent of all persons living in Puerto Rico receive some form of government assistance; more than 50 percent qualify for food stamps."

Welfare, big government as El Patron, has wreaked havoc with this one segment of the Hispanic community. But the media and special-interest power brokers have convinced the country that all Hispanics share the welfare disease and the poverty that causes it. Not true, Chavez writes: In Los Angeles, where more than one-third of the population is Hispanic, native-born Mexican-Americans account for only 10 percent of welfare payments. Yet they represent 65 percent of all Hispanics. Recent Hispanic immigrants—who like most immigrants need time to work their way up the socioeconomic ladder—draw 42 percent of local welfare payments.

Linda Chavez can tell the difference between immigrant and native-born Hispanics. If the media and policy makers could also make such important distinctions, Hispanic progress would be recognized for what it is—steady for most and spectacular for those who take advantage of educational and economic opportunities. "Ultimately," Chavez writes, "it will be up to individuals to take advantage of those opportunities."

Raoul Lowery Contreras is a syndicated columnist living in San Diego.

Helping Hands

BY MARTIN MORSE WOOSTER

The Tragedy of American Compassion, by Marvin Olasky, Washington, D.C.: Regnery Gateway, 233 pages, $21.95

Most books about welfare in America begin with one of two premises. For the last 75 years, advocates of government-funded welfare have largely argued that federal welfare programs are a universal entitlement and that efforts to limit aid to those who cannot work are imposing Eurocentric values upon the defenseless poor.

On the other hand, foes of welfare often use arguments, derived from Social Darwinism, that the poor who cannot lift themselves up the income ladder should not receive any handouts at all. In this view, recipients of welfare largely comprise cheats, bums, parasites, "second-handers," and so forth, who steal from the successful. For example, Robert Sheaffer, in *Resentment Against Achievement,* sees people in poverty as largely having "no obligation to support themselves. They know that some soft-hearted person who will be moved by their self-made plight can always be found."

But what if neither the welfarists nor the antiwelfarists understand the problem? What if the best way to lift people out of poverty was found over a century ago—and forgotten?

That's the provocative thesis of Marvin Olasky, professor of journalism at the University of Texas. In his latest book, Olasky looks at how Americans have treated the poor during the last 200 years. He contends that the best way to end poverty isn't to be found in the think tanks or in the welfare agencies. It is "sitting on pages of old magazines and reports buried deep in the stacks of the Library of Congress."

The Tragedy of American Compassion is actually two books stitched together. In the first half of his book, Olasky describes how Americans helped the poor in the 19th century; the second half then describes how these voluntary organizations were gradually supplanted by the welfare state and by professional charities.

The first half is the better part of the book, as Olasky spends a good deal of time showing how Victorian social reformers tried to aid the poor. Most successful programs used two strategies. First, they insisted that the poor who could work do useful labor. Many charities asked that people showing up at their doorstep chop wood or sew clothes before they were offered a meal. This work test was given not because of stinginess but to see if a destitute person was willing to take action to improve his or her life.

The charity leaders of the 19th century also realized that offering the poor unrestricted aid did more harm than good, by making poor people addicted to handouts. "Dolegiving and almsgiving," wrote Buffalo's Josephine Shaw Lowell in 1884, "do break down independence, do destroy energy, do undermine character."

Second, charities tried to limit the number of people each worker served; charities had learned from long experience that poverty fighters could best succeed if they dealt with a small number of people whom they knew personally. "A small number of families, from three to five, are enough to exhaust all the time, attention, and friendly care which one visitor has," the Philadelphia Society for Organizing

Charitable Relief noted in an 1883 report.

But if these charities did such a good job at aiding the poor, why didn't the Victorian model of aiding the poor survive into the 20th century?

Here is where Olasky is at his weakest. He is very good at showing how effective private charity was a century ago; his descriptions of the growth of the welfare state in the New Deal and the Great Society are richly detailed. But Olasky's explanations of why the Progressives were able to transform the charity movement are weak and unconvincing.

In 1900, charities tended to be primarily composed of volunteers who devoted themselves to helping others. By 1930, these same organizations were largely made up of professional social workers who campaigned for government aid and saw volunteers as amateurs whose best use was to type letters and keep files, thus ensuring that few Americans were given the chance to help the poor directly.

Olasky devotes only 16 pages to this transitional period; he should have spent more time on the subject. It would be interesting to learn more about how the Social Gospel transformed mainline Protestant attitudes toward charity or what the settlement house movement did to teach its veterans (such as Frances Perkins, FDR's Secretary of Labor, and top Roosevelt aide Harry Hopkins) the importance of government welfare. It might also be interesting to learn what the more successful charities (such as the Pacific Garden Mission in Chicago or the Central Union Mission in Washington, D.C.) did to survive when their competitors were nationalized.

Ultimately, Olasky does persuade the reader that to end poverty, something more must be done than simply increasing (or reducing) the federal welfare budget. What the Victorians knew that we do not is that the poor are something more than beasts who should be pacified by the narcotic of limitless aid. "Governmental welfare programs should be fought not because they are too expensive," Olasky concludes, "but because they are inevitably too stingy in what is really important, treating people as

If you agree with Robert Hutchins...

"... knowledge without wisdom has brought us to the edge of destruction and may at any time push us over the brink."

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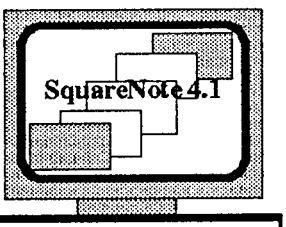

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people and not animals."

We should all care for those who need our help. But such aid is something more than simply giving quarters to homeless people whom we may never meet again or doling out meals in a soup line that treats recipients as faceless, interchangeable, and forgettable. *The Tragedy of American Compassion*'s greatest achievement is that it shows how aid should be provided and gives ample evidence that private, voluntary aid did a great deal to help people whom we would now consider part of the permanent "underclass."

The American welfare state is intellectually exhausted, surviving, as are most government programs, on the inertia of the Democratic Congress. Contending that welfare should be abolished has done little to change the nature or structure of these programs. Marvin Olasky's arguments may prove to be the ones that ultimately ensure that private welfare programs can once again do a better job in helping the poor than their massively subsidized government counterparts.

Contributing Editor Martin Morse Wooster is a writer, editor, and researcher living in Silver Springs, Maryland.

Power to the People—Again

BY STEVEN HAYWARD

Populism and Elitism: Politics in the Age of Equality, by Jeffrey Bell, Washington, D.C: Regnery Gateway, 193 pages, $21.95

Jeff Bell is probably dying to write the sequel to this book.

Within days of its official release in May, our jaunty vice president launched *l'affaire* Murphy Brown and his attack on Hollywood and media "elites." And Bell's book is a virtual subtext to the Ross Perot phenomenon—the rise of which Bell anticipates in one passage. If being able to say "I told your so" is truly among life's most sublime pleasures, Bell should be sporting a big grin right now.

Abstracted from these fortuitous events, however, this is an odd book. It is reminiscent of John Adams's observation that the Declaration of Independence "contains nothing that wasn't hackneyed two years before" in the Continental Congress. *Populism and Elitism* advances the usual take on liberal elitism, "values"

MIKE LUCKOVICH

politics, the 1960s, and the causes of the constipated Republican realignment. Bell even includes a retail version of Francis Fukuyama's "end of history" thesis.

Political sophisticates would be hasty, however, to dismiss *Populism and Elitism* for being either obvious or pedantic. A close reading of the key passages reveals a layering of subtlety and careful distinctions. Bell suggests that the real division between populism and elitism is not so much ideological class conflict but temperament: Populists have confidence in the people's capacity to set social and political standards and make important decisions about how to run their lives, while elitists believe the people are incompetent to do so and wish to define the parameters of social and political life themselves. The elite, in other words, desire to be a de facto National Bureau of Standards and Practices. Hence, elitists exist across the political spectrum.

The most powerful elites—in entertainment, in the media, in higher education—are of course liberal or statist. This provides the overlay for the Quayle project. Bell devotes much of this book to explaining why the liberal elites have not been chastened by the poundings their values have taken in recent national elections.

Bell's book is important because his intended audience—the Republican leadership elite (one might call it the Busheoisie)—doesn't have the first clue about most of his key themes. For a party and an administration of ambition without purpose, Bell provides a useful reality check.

The fundamental fact of our time, for Bell, is that our political culture is still working out the divisions generated by the upheavals of the '60s. It is a mistake, Bell's argument implies, to suppose that the Democratic Party and its liberal elites face an irremediable crisis on account of recent drubbings in national elections and are therefore destined to follow the recent path of the British Labour Party, which plans to cut its special-interest ties to labor unions and disavow explicit socialism. Bell provides a useful reminder that the end of radical socialism does not entail the end of egalitarianism or the politics of equal result. But this battle will be fought not on the old familiar ground of economic policy but in the fever swamps of "values." In this arena, the liberal elites are endlessly resilient.

Bell devotes much of *Populism and Elitism* to explaining why the liberal elites have not been chastened by the poundings their values have taken in recent national elections.

It is astonishing that the party that won the last national election through an appeal to "values" does not have a better grasp of this. Although Republicans are adept at running on "values," they fully appreciate neither Bell's insight into the divide between elitism and populism nor the opportunity open to them were they to capitalize rightly on populism.

This isn't to suggest that Bell buys into the simple "us vs. them" theme that Republicans seem to think they can exploit forever at four-year intervals. Bell understands that the liberal elites may succeed in undermining conservative populist sentiment over time through the relentless crusade to establish—*wait for it*—"moral relativism" as the preeminent principle in American society.

Although there is little new to say about the worn-out subject (Bell makes the obligatory nod toward Allan Bloom in his analysis), Bell sharpens the issue by pointing out how value relativism relates to the liberals' cherished goal of egalitarianism; if all "values" are equal, it follows eventually that politics must make people equal as well. Not justice, but relativism, requires leveling. Call it socialism with a Heideggerian face.

The confluence of Bell's book and Quayle's Murphy Brown argument provides an opening to one of the hot new trends among intellectuals on the right: "cultural conservatism." But Bell's careful analysis of populism and elitism in the age of moral relativism implies that the "cultural conservatism" of the Quayle project is not in the end a winning strategy. Although cultural conservatives can rightly cheer what might be viewed as an attempt at "Charles Murray for the masses," it isn't clear that the war over cultural "values" is best fought in the arena of public policy. This is the liberal elite's home field, and home-field advantage usually wins.

To be ultimately successful, a genuine strategy to exploit a (perhaps only temporary) gulf between populist and elitist "values" must seek to diminish the public and political sphere for the liberal elites' values. This means shrinking the state. In other words, whether a single mother ought or ought not to have a child should not be a national political issue.

The relentless politicization of every aspect of private life reveals itself to be a form of low-grade totalitarianism. Washington cannot counteract Hollywood. To attempt to do so, Quayle-style, without shrinking the state is most likely to aggravate the problem. The Quayle project has not yet challenged the fundamental statism of our era, which sees every social problem as a political problem that requires the attention and action of Washington.

Washington could, had it the will, remove the public-policy incentives for low-income women to emulate TV characters. Such a policy would not simply cut programs but would also remind citizens that they are citizens, with responsibilities as well as rights. Not simply government, but the sufficiency of the private sphere is the deeper issue. Refusing to aggrandize the political illusion would give a whole new meaning to the old Reaganite slogan, "Just say no."

Contributing Editor Steven Hayward is research and editorial director for the Pacific Research Institute in San Francisco.

MYTHING THE POINT

BY THOMAS W. HAZLETT

Have you ever marveled at those successful members of disadvantaged minority groups, those who have somehow surmounted large odds to make it big in America? Aha, you disgusting bigot! You just can't control your primordial racist impulse to minimize the ravages of the white man's insidious institutional oppression. Why, you must harbor the soul of a Nazi.

Such a lashing is very close to what kept readers of the world-famous *Washington Post* from sitting down for several days this summer. In a remarkable journalistic episode of "Don't move, or I'll shoot," *Post* subscribers were bombarded with this front-page news last June: "Myth of Model Minority Haunts Asian Americans: Stereotype Eclipses Group's Problems."

This gem lands a politically correct sucker punch: Just when patriotic Americans might be feeling good about seeing discriminated-against nonwhites being rewarded for their pluck and persistence with a median family income (for all Asian-Americans) 19 percent above the general population's, they are laid cold with a haymaker on the tragedy of "model minority" status.

Of course, Asian success in White America is a bit more fearsome to Anglo sociologists than it is to wealthy suburbanites named Kim, Singh, or Tanaka. The Yellow Peril is fearsome to rabble rousers of the right for genetic reasons and to ideologues of the left for tactical ones. American (or Hong Kong) capitalism must not be given credit for transforming poor yellow into bright green. That would unsnap the dogmatic link between "white racism" and "free enterprise" and make the government look klutzy. Federal aid has done so little for Asians (outside of that generous housing program for Japanese-Americans during World War II) while heaping largesse on far less financially successful groups.

Native Americans, for instance, have had billions spent in their name by their very own U.S. government department for the past 100 years. Yet they come in dead last in just about every measure of economic or social status. Could lead the unsophisticated to spot a dangerously suggestive correlation.

The *Post* marshaled an impressive array of facts to dismiss this silliness. The crack investigative journalists at the paper found that "while there are many Asian Americans far above the U.S. median, many also fall far below it." Unbelievable! I trust they held the presses after unearthing this late-breaking news: Asians both above *and* below the national average! (Apparently, the boys and girls of Lake Woebegone—all above average—are now the national norm. Their disappointment level will be way above the mean!)

A professor of Asian-American studies at Wesleyan informed us that "the 'mythology of success' has been an enormous disservice to Asian Americans who find this characterization does not at all reflect their own experience." This prompted the *Post* to comment, "Critics say the stereotype not only ignores the plight of those who don't fit, it overstates the achievements of Asian Americans....Worse, they say, it exposes Asian Americans to resentment and racial hostility and exacts a heavy toll in the stress it places on many who can't live up to those high expectations."

If we intimidate and humiliate the Asians, at least we pay them well for their decimation. Asian-American families make, at the median, 18 percent more than whites, double the income of blacks. But recent Asian immigrants who are just beginning to work bring the Asians' numbers way down. The more-established Japanese-Americans, for example, boast a median family income 37 percent above that of the U.S. population as a whole.

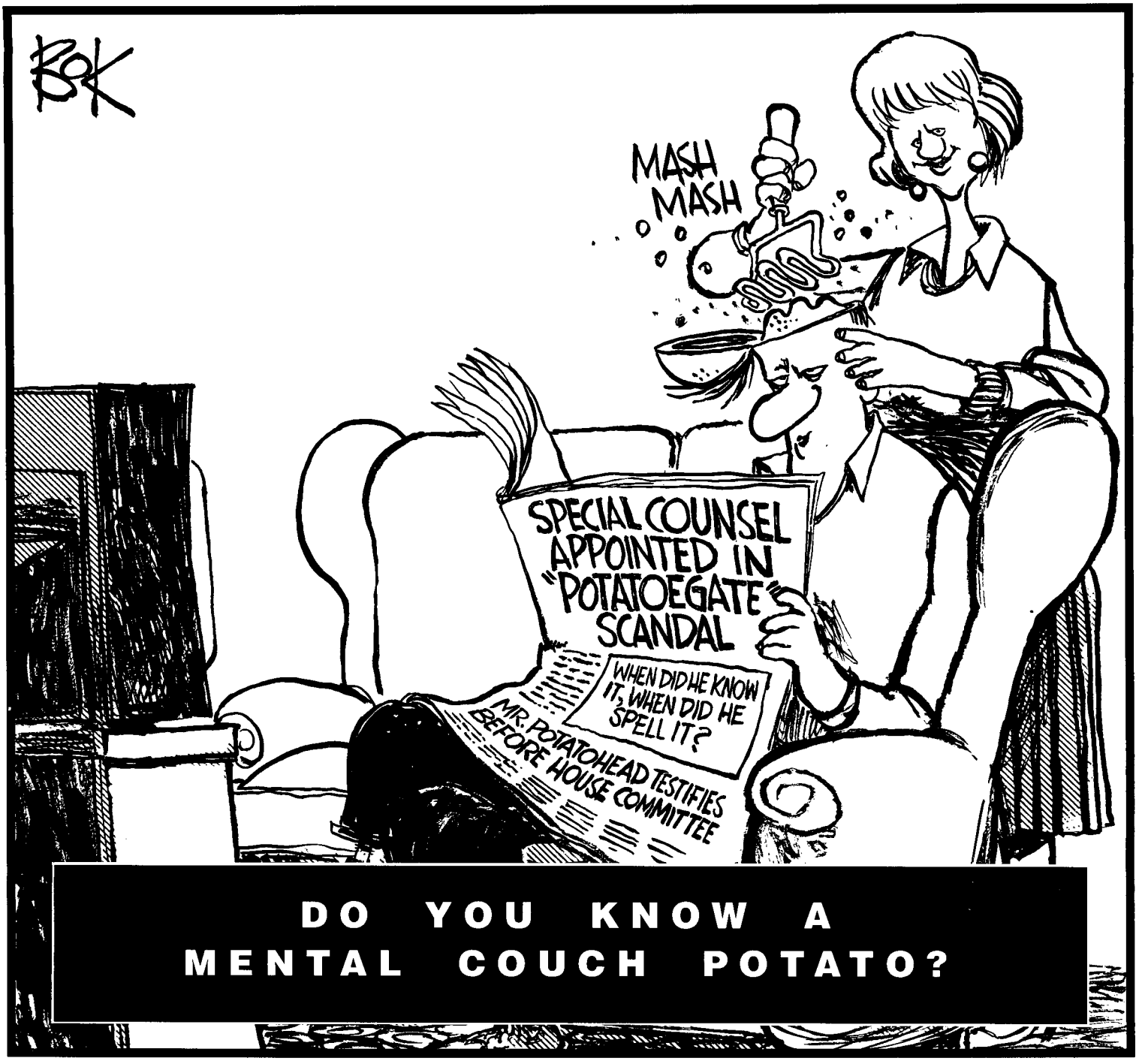
But don't you dare, honky boy, think of this as "success." That would be "insulting and condescending," said the *Post*, "especially when an Asian-American small grocery store owner is hailed as a great success where a similarly well educated white would be thought of as a failure." You people (as Ross Perot would say) probably thought Asians needed role models, but these pseudo-heroes are simply used to making whites comfortable about racist oppression.

Such perverse constructions of ethnic-studies scholarship thrill pale audiences, titillating white guilt (just as angry black rap music is overwhelmingly sold to white teenagers). Manipulating Caucasian hopes and fears is good clean sport, safely removed from the difficult and consequential business of devising workable, innovative ways of helping disadvantaged minorities up the economic ladder. Putting whitey in the spotlight as a clumsy, awkward socioeconomic stage performer gives the entire community something to gawk at and more: instant proof of the ongoing existence of, if not lynch squads, racial insensitivity.

As Shelby Steele has so neatly delineated, identifying the existence of injustice grants the victims entitlement coupons payable by their oppressors. Empowerment via victimization is public-policy gold in them thar hills. I just hope—for *their* sake—that other minority groups don't become wealthy like the Asians. Because rising incomes could, for instance, tragically lead to the "myth of black success." And then white taxpayers will simply ignore the plight of Africans. There goes the neighborhood block grant.

But not to worry. Given the sophisticated design of our current array of social programs and our time-tested system of welfare dependency, I believe that the poor and disadvantaged are pretty well out of harm's way.

Contributing Editor Thomas W. Hazlett teaches economics and public policy at the University of California, Davis.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